

fiscal years in the amount of \$6,342,000 for the Post Office Department (H. Doc. No. 301); to the Committee on Appropriations and ordered to be printed.

855. A communication from the President of the United States, transmitting a supplemental estimate of appropriation for the fiscal year 1950 in the amount of \$7,500,000 for the General Services Administration (H. Doc. No. 302); to the Committee on Appropriations and ordered to be printed.

856. A communication from the President of the United States, transmitting supplemental estimates of appropriation for the Judiciary in the amount of \$159,660, and proposed rescissions of appropriations for the District of Columbia in the amount of \$266,100, all for the fiscal year 1950 (H. Doc. No. 300); to the Committee on Appropriations and ordered to be printed.

857. A letter from the Secretary of Defense, transmitting a letter by the Acting Secretary of the Navy recommending the enactment of a proposed draft of legislation entitled "To Clarify the Status of Inactive Members of the Naval Reserve Relating to the Holding of Offices of Trust or Profit Under the Government of the United States"; to the Committee on Armed Services.

858. A letter from the Acting Director, Bureau of the Budget, Executive Office of the President, transmitting a report of personnel ceilings as determined and fixed pursuant to Public Law 390, Seventy-ninth Congress, for the quarter ending June 30, 1949; to the Committee on Post Office and Civil Service.

859. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated July 18, 1949, submitting a report, together with accompanying papers and illustrations, on a review of reports on Redondo Beach Harbor, Calif., requested by a resolution of the Committee on Rivers and Harbors, House of Representatives, adopted on April 17, 1939 (H. Doc. No. 303); to the Committee on Public Works and ordered to be printed with two illustrations.

860. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of waterway from Indian River inlet to Rehoboth Bay, Del., authorized by the River and Harbor Act approved on March 2, 1945 (H. Doc. No. 304); to the Committee on Public Works and ordered to be printed with two illustrations.

861. A letter from the Secretary of the Army transmitting a letter from the Chief of Engineers, United States Army, dated June 24, 1949, submitting a report, together with accompanying papers and an illustration on a review of reports on Susquehanna River and tributaries, New York, Pennsylvania, and Maryland, with a view to improvement of Monkey Run Creek in Corning, N. Y., and vicinity, requested by a resolution of the Committee on Public Works, House of Representatives, adopted on January 28, 1947 (H. Doc. No. 305); to the Committee on Public Works and ordered to be printed with an illustration.

862. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, United States Army, dated February 28, 1949, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Pasquotank River, N. C., authorized by the Flood Control Act approved on December 22, 1944 (H. Doc. No. 306); to the Committee on Public Works and ordered to be printed with two illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk

for printing and reference to the proper calendar, as follows:

Mr. PETERSON: Committee on Public Lands. H. R. 5764. A bill to authorize the granting to the city of Los Angeles, Calif., of rights-of-way on, over, under, through, and across certain public lands; with an amendment (Rept. No. 1260). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORRIS: Committee on Public Lands. H. R. 5097. A bill for the administration of Indian livestock loans, and for other purposes; without amendment (Rept. No. 1261). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS of Texas: Committee of conference. H. R. 4177. A bill making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes. (Rept. No. 1262.) Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. MULTER:

H. R. 5973. A bill to provide additional compensation in lieu of overtime pay, for certain Federal employees engaged in criminal law-enforcement work; to the Committee on Post Office and Civil Service.

By Mr. STEED:

H. R. 5974. A bill to prohibit an individual from traveling in interstate or foreign commerce in connection with the abandonment of his dependent child; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. KLEIN:

H. R. 5975. A bill for the relief of Thomas Winkler; to the Committee on the Judiciary.

H. R. 5976. A bill for the relief of Edit Hannah; to the Committee on the Judiciary.

By Mr. MCCORMACK:

H. R. 5977. A bill for the relief of Leon Alex Piechowiak, alias Leon Piechowiak; to the Committee on the Judiciary.

By Mr. MORRISON:

H. R. 5978. A bill for the relief of the heirs of Michel Deval; to the Committee on the Judiciary.

By Mr. PLUMLEY:

H. R. 5979. A bill for the relief of John Twelt; to the Committee on the Judiciary.

By Mr. POULSON:

H. R. 5980. A bill for the relief of F. E. Thibodo; to the Committee on the Judiciary.

By Mr. TRIMBLE:

H. R. 5981. A bill for the relief of Clayborne V. Wagley; to the Committee on the Judiciary.

By Mr. WALTER:

H. R. 5982. A bill for the relief of Livia de Badics and Agatha de Badics; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1408. By the SPEAKER: Petition of Fairbanks Chamber of Commerce, Fairbanks, Alaska, requesting Congress to take immediate steps to repeal the 15-percent excise tax on passenger travel and the 3-percent excise tax on freight shipments; to the Committee on Ways and Means.

1409. By Mr. LeCOMPTE: Petition of Messrs. Murdy and Johnston, druggists, and other citizens of Brooklyn, Iowa, urging the repeal of the 20-percent excise tax on all toilet goods; to the Committee on Ways and Means.

SENATE

MONDAY, AUGUST 15, 1949

(Legislative day of Thursday, June 2, 1949)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Rev. Douglas Frazer-Hurst, D. D., Elmwood Church, Belfast, Northern Ireland, offered the following prayer:

O, God, who art the author of life, the universal father, and yet hast given to every nation its place of habitation, and its own destiny; we pray for the people of this Republic, and for their representatives, met today in this council chamber. Guide us in all our deliberations so that we may feel ourselves supported by a higher wisdom than our own. Bless the President of the United States and the members of the Cabinet. In all our ways may we acknowledge Thee, so that Thou mayest direct our paths. Let us be willing to stand in the searchlight of truth, so that we may be honest and sincere in all our judgments. Deliver us from all selfishness and fear.

In these days of unsettlement, when clouds often gather darkly in the sky, may our hand be steady upon the helm which guides the ship of state. May we set our course by the stars of truth and justice, and not by the lesser lights of policy or passion. Help us to believe sincerely in the divine origin and destiny of man, and to resist any influences which would make him a chattel of the state, or deny him liberty of self-expression.

We pray Thee to bring together the English-speaking world in true brotherhood. With our common heritage of liberty and faith, may the things which unite us be always greater and stronger than the things which divide. As we are one in our belief in free institutions, in government of the people, by the people, and for the people, may we walk together in mutual trust and confidence on the great highway of freedom and service. We ask it in His name who is the Master of all good life, and the Inspirer of all true service, even Jesus Christ our Lord. Amen.

THE JOURNAL

On request of Mr. LUCAS, and by unanimous consent, the reading of the Journal of the proceedings of Friday, August 12, 1949, was dispensed with.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the joint resolution (S. J. Res. 79) authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949.

The message also announced that the House had severally agreed to the

amendments of the Senate to the following bills of the House:

H. R. 559. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1505. An act for the relief of Harry Warren; and

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.

The message further announced that the House had disagreed to the amendment of the Senate to the bill (H. R. 1285) for the relief of the legal guardian of Lena Mae West, a minor; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. BYRNE of New York, Mr. DENTON, and Mr. JENNINGS were appointed managers on the part of the House at the conference.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 5342. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment to the Boy Scouts of America for use at the Second National Jamboree of the Boy Scouts; and

H. R. 5526. An act to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes.

ENROLLED BILLS SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Vice President:

H. R. 559. An act to confer jurisdiction upon the United States District Court for the Central Division of the Southern District of California to hear, determine, and render judgment upon the claims of the city of Needles, Calif., and the California-Pacific Utilities Co.;

H. R. 631. An act for the relief of Mrs. Dorothy Vicencio;

H. R. 1137. An act for the relief of J. W. Greenwood, Jr.;

H. R. 1505. An act for the relief of Harry Warren;

H. R. 1604. An act conferring jurisdiction upon the Court of Claims to hear and determine the claim of Breinig Bros., Inc.; and

H. R. 2634. An act to provide transportation on Canadian vessels between Skagway, Alaska, and other points in Alaska, and between Hyder, Alaska, and other points in Alaska or the continental United States, either directly or via a foreign port, or for any part of the transportation.

CALL OF THE ROLL

Mr. LUCAS. I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Aiken	Chavez	Eaton
Anderson	Connally	Ellender
Baldwin	Cordon	Ferguson
Butler	Donnell	Flanders
Cain	Douglas	Fulbright
Capehart	Downey	George
Chapman	Dulles	Gillette

Graham	Long	Robertson
Green	Lucas	Russell
Gurney	McCarran	Schoepfel
Hayden	McCarthy	Smith, Maine
Hickenlooper	McClellan	Smith, N. J.
Hill	McFarland	Sparkman
Hoey	McKellar	Stennis
Holland	Magnuson	Taft
Hunt	Malone	Taylor
Ives	Martin	Thomas, Okla.
Johnson, Colo.	Maybank	Thomas, Utah
Johnson, Tex.	Miller	Thye
Johnston, S. C.	Millikin	Tydings
Kefauver	Morse	Vandenberg
Kerr	Mundt	Watkins
Kilgore	Murray	Wherry
Knowland	Neely	Wiley
Langer	O'Connor	Withers
Lodge	O'Mahoney	Young
	Pepper	

Mr. LUCAS. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Delaware [Mr. FREAR], the Senator from Rhode Island [Mr. MCGRATH], the Senator from Connecticut [Mr. McMAHON], and the Senator from Pennsylvania [Mr. MYERS] are absent on public business.

The Senator from Minnesota [Mr. HUMPHREY] is absent because of illness in his family.

Mr. WHERRY. I announce that the Senator from Maine [Mr. BREWSTER], the Senator from Ohio [Mr. BRICKER], the senior Senator from New Hampshire [Mr. BRIDGES], the Senator from Indiana [Mr. JENNER], the Senator from Massachusetts [Mr. SALTONSTALL], the junior Senator from New Hampshire [Mr. TOBEY], and the Senator from Delaware [Mr. WILLIAMS] are necessarily absent.

The Senator from New Jersey [Mr. HENDRICKSON] is absent because of illness.

The Senator from Kansas [Mr. REED] is absent by leave of the Senate.

The VICE PRESIDENT. A quorum is present.

TRANSACTION OF ROUTINE BUSINESS

Mr. LUCAS. Mr. President, I ask unanimous consent that Members of the Senate be permitted to present petitions and memorials, introduce bills and joint resolutions, and incorporate matters into the RECORD and the Appendix of the RECORD, without debate.

The VICE PRESIDENT. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred, as indicated:

ALCOHOL PLANT AT OMAHA, NEBR.

A letter from the Secretary of Agriculture, reporting, pursuant to law, that the holding of the alcohol plant at Omaha, Nebr., by the Department of Agriculture, can no longer be justified; to the Committee on Agriculture and Forestry.

REPORT ON PERSONNEL CEILINGS

A letter from the Acting Director, Bureau of the Budget, transmitting, pursuant to law, a report on personnel ceilings, for the quarter ended June 30, 1949 (with an accompanying report); to the Committee on Post Office and Civil Service.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, and referred as indicated:

By the Vice President:

A telegram in the nature of a petition from the Chinese Women's Club of Chicago, Chi-

cago, Ill., signed by Jean Moy, praying for the enactment of legislation to provide the necessary aid to halt the progress of communism in the Far East; to the Committee on Appropriations.

A resolution adopted by the City Council of the City of Los Angeles, Calif., favoring the enactment of legislation to provide statehood for the territories of Hawaii and Alaska; to the Committee on Interior and Insular Affairs.

A resolution adopted by the Sisterhood of Ahavath Achim, of Syracuse, N. Y., protesting against the enactment of legislation that would change the present calendar; to the Committee on Foreign Relations.

A resolution adopted by the Southern California State Dental Hygienists Association, protesting against the enactment of legislation providing compulsory health insurance; to the Committee on Labor and Public Welfare.

A letter in the nature of a petition from James E. Folsom, Governor of the State of Alabama, praying for the confirmation of the nominations of Tom Clark as Associate Justice of the United States Supreme Court, and Senator McGRATH as Attorney General; ordered to lie on the table.

A telegram in the nature of a memorial from the Northeast Ogden Improvement Association, of Ogden, Ill., signed by John G. Christie, secretary, remonstrating against the confirmation of the nomination of Tom Clark as Associate Justice of the Supreme Court of the United States; ordered to lie on the table.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. GEORGE, from the Committee on Finance:

H. R. 5327. A bill to continue until the close of June 30, 1950, the suspension of duties and import taxes on metal scrap, and for other purposes; with amendments (Rept. No. 898).

By Mr. McCLELLAN, from the Committee on Expenditures in the Executive Departments:

S. 2018. A bill to authorize advancements to and the reimbursement of certain agencies of the Treasury Department for services performed for other Government agencies, and for other purposes; without amendment (Rept. No. 897).

By Mr. O'MAHONEY, from the Committee on Interior and Insular Affairs:

H. R. 2876. A bill to effect an exchange of certain lands in the State of North Carolina between the United States and the Eastern Band of Cherokee Indians, and for other purposes; without amendment (Rept. No. 917);

H. R. 3881. A bill to provide for the use of the State course of study in schools operated by the Bureau of Indian Affairs on Indian reservations in South Dakota when requested by a majority vote of the parents of the students enrolled therein; without amendment (Rept. No. 918), and

H. R. 5134. A bill to promote development in cooperation with the State of Colorado of the fish, wildlife, and recreational aspects of the Colorado-Big Thompson Federal reclamation project; without amendment (Rept. No. 919).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs:

S. 2275. A bill permitting the use for public purposes of certain land in Hot Springs, N. Mex.; without amendment (Rept. No. 913); and

S. 2286. A bill authorizing transfer of land to the county of Bernalillo, State of New Mexico, for a hospital site; with an amendment (Rept. No. 914).

By Mr. DOWNEY, from the Committee on Interior and Insular Affairs:

H. R. 4584. A bill to provide for disposition of lands on the Cabazon, Augustine, and

Torres-Martinez Indian Reservations in California, and for other purposes; with an amendment (Rept. No. 915).

By Mr. MCFARLAND, from the Committee on Interior and Insular Affairs:

S. 76. A bill to authorize the Secretary of the Interior to convey a certain tract of land in the State of Arizona to Lillian I. Anderson; with an amendment (Rept. No. 916).

By Mr. WATKINS, from the Committee on Interior and Insular Affairs:

S. 2140. A bill to authorize the Secretary of the Interior to exchange certain Navajo tribal Indian land for certain Utah State land; without amendment (Rept. No. 920).

By Mr. MURRAY, from the Committee on Interior and Insular Affairs:

S. 1829. A bill to authorize the Secretary of the Interior to transfer to the Crow Indian Tribe, of Montana, the title to certain buffalo; with amendments (Rept. No. 921).

By Mr. HAYDEN, from the Committee on Rules and Administration:

H. Con. Res. 62. Concurrent resolution creating a Joint Committee on Lobbying Activities; without additional amendment (Rept. No. 895).

By Mr. KNOWLAND, from the Committee on Armed Services:

S. 1660. A bill providing for the conveyance to the Franciscan Fathers of California of approximately 40 acres of land located on the Hunter-Liggett Military Reservation, Monterey County, Calif.; with amendments (Rept. No. 896).

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

S. 1282. A bill to authorize grants under the Federal Airport Act for minor projects at major airports; with amendments (Rept. No. 901);

S. 2316. A bill to authorize the construction and equipment of a guided-missile research laboratory building for the National Bureau of Standards, Department of Commerce; without amendment (Rept. No. 899); and

S. 2360. A bill to amend the Federal Airport Act so as to authorize appropriations for projects in the Virgin Islands; without amendment (Rept. No. 900).

By Mr. McCARRAN, from the Committee on the Judiciary:

S. 73. A bill for the relief of Samuel M. Inman; with an amendment (Rept. No. 902);

S. 481. A bill for the relief of C. J. Hartman; with amendments (Rept. No. 903);

S. 1048. A bill for the relief of Saul Phillips; with an amendment (Rept. No. 904);

S. 1764. A bill for the relief of George K. Haviland; with amendments (Rept. No. 905);

H. R. 1132. A bill for the relief of Mabel H. Slocum; without amendment (Rept. No. 906);

H. R. 1446. A bill for the relief of Conrad L. Wirth; without amendment (Rept. No. 907);

H. R. 2091. A bill for the relief of Jack McCollum; without amendment (Rept. No. 908);

H. R. 2471. A bill for the relief of Walt W. Rostow; without amendment (Rept. No. 909);

H. R. 2594. A bill for the relief of Grace L. Elser; without amendment (Rept. No. 910);

H. R. 3665. A bill for the relief of Mrs. Josephine Wagon Walker; without amendment (Rept. No. 911); and

H. R. 5155. A bill for the relief of Francesca Lucareni, a minor; without amendment (Rept. No. 912).

By Mr. TYDINGS, from the Committee on Armed Services:

H. R. 5929. A bill to amend the Army and Air Force Vitalization and Retirement Equalization Act of 1948; without amendment (Rept. No. 922); and

H. Con. Res. 102. Concurrent resolution to provide for the attendance of a joint committee to represent the Congress at the

Eighty-third and Final National Encampment of the Grand Army of the Republic; without amendment.

CERTAIN CONSTRUCTION AT MILITARY AND NAVAL INSTALLATIONS—REPORT OF A COMMITTEE

Mr. TYDINGS. Mr. President, from the Committee on Armed Services I report an original bill, and I submit a report (No. 923) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, was read twice by its title, and ordered to be placed on the calendar.

ACTIVE DUTY FOR CERTAIN ADDITIONAL NATIONAL GUARD OFFICERS—REPORT OF A COMMITTEE

Mr. HUNT. Mr. President, from the Committee on Armed Services I report an original bill, and I submit a report (No. 924) thereon.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar.

The bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, was read twice by its title and ordered to be placed on the calendar.

ANTHROPOLOGICAL RESEARCHES ON AMERICAN INDIANS—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration, I report favorably, without amendment, the bill (H. R. 3417) to amend the act entitled "An act to provide for cooperation by the Smithsonian Institution with State, educational, and scientific organizations in the United States for continuing ethnological researches on the American Indians," approved April 10, 1928, and for other purposes, and I submit a report (No. 893) thereon. I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

INVESTIGATION OF FIELD OF LABOR-MANAGEMENT RELATIONS—REPORT OF A COMMITTEE

Mr. HAYDEN. Mr. President, from the Committee on Rules and Administration I report favorably, with an amendment, Senate Resolution 140, and I submit a report (No. 894) thereon. I ask unanimous consent for the immediate consideration of the resolution.

The VICE PRESIDENT. The resolution will be read for the information of the Senate.

The resolution, submitted by Mr. MURRAY (for himself and other Senators) on July 22, 1949, and referred to the Committee on Labor and Public Welfare, and subsequently to the Committee on Rules and Administration, was read, as follows:

Resolved, That the Committee on Labor and Public Welfare, or any duly authorized subcommittee thereof, is authorized and directed to conduct a thorough study and in-

vestigation of the entire field of labor-management relations, including but not limited to—

(A) the means by which cooperation between employers and employees and stability of labor relations may be secured;

(B) the methods and procedures for best carrying out the collective bargaining processes;

(C) the administration and cooperation of existing Federal laws relating to labor relations; and

(D) such other problems and subjects in the field of labor-management relations as the committee deems appropriate. The committee shall report to the Senate not later than January 15, 1950, the results of its study and investigation, and such other recommendations from time to time as it may deem advisable, and shall make its final report under this resolution not later than December 31, 1950.

SEC. 2. For the purposes of this resolution, the committee, or any duly authorized subcommittee thereof, is authorized to employ upon a temporary basis such technical, clerical, and other assistance as it deems advisable. The expenses of the committee under this resolution, which shall not exceed \$25,000, shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

The VICE PRESIDENT. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

The VICE PRESIDENT. The committee amendment will be stated.

The LEGISLATIVE CLERK. On page 1, line 5, after the word "directed" it is proposed to insert "during the Eighty-first Congress."

The amendment was agreed to.

The resolution, as amended, was agreed to.

AMENDMENT OF PUBLIC HEALTH SERVICE ACT—REPORT OF A COMMITTEE

Mr. HILL. Mr. President, from the Committee on Labor and Public Welfare, I report favorably, with amendments, the bill (S. 522) to amend the Public Health Service Act to authorize assistance to States and political subdivisions in the development and maintenance of local public health units, and for other purposes, and I submit a report (No. 925) thereon. I ask unanimous consent that the Senator from Utah [Mr. THOMAS], the Senator from Montana [Mr. MURRAY], the Senator from West Virginia [Mr. NEELY], the Senator from Kentucky [Mr. WITHERS], the Senator from Ohio [Mr. TAFT], the Senator from Oregon [Mr. MORSE], the Senator from Missouri [Mr. DONNELL], and the Senator from North Carolina [Mr. GRAHAM] be added as cosponsors of the bill.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar, and, without objection, the names of the Senators suggested by the Senator from Alabama will be added as cosponsors of the bill.

EXECUTIVE REPORTS OF COMMITTEES

As in executive session.

The following favorable reports of nominations were submitted:

By Mr. JOHNSON of Colorado, from the Committee on Interstate and Foreign Commerce:

William H. E. Schroeder, of the United States Coast Guard Reserve, to be lieutenant

(junior grade) in the United States Coast Guard.

By Mr. McCARRAN, from the Committee on the Judiciary:

Alphonse Roy, of New Hampshire, to be United States marshal for the district of New Hampshire.

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MARTIN:

S. 2431. A bill for the relief of Sumiko Kato; to the Committee on the Judiciary.

(Mr. YOUNG (for himself and Mr. GILLETTE) introduced Senate bill 2432, to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread, which was referred to the Committee on Interstate and Foreign Commerce, and appears under a separate heading.)

By Mr. WILEY (by request):

S. 2433. A bill to increase the fee for appeal to the Board of Appeals in the Patent Office; to the Committee on the Judiciary.

By Mr. ECTON:

S. 2434. A bill authorizing the Secretary of the Interior to issue a patent in fee to Mrs. Lucy Knows Gun; to the Committee on Interior and Insular Affairs.

By Mr. JOHNSON of Colorado:

S. 2435. A bill to amend the Civil Aeronautics Act of 1938 with respect to the regulation of domestic air transportation;

S. 2436. A bill to amend the act entitled "An act to authorize the construction, protection, operation, and maintenance of public airports in the Territory of Alaska";

S. 2437. A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the separation of subsidies from air-mail pay, and for other purposes; and

S. 2438 (by request). A bill to amend the Civil Aeronautics Act of 1938, as amended, to provide for the regulation of interstate contract carriers by air, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. TYDINGS:

S. 2439. A bill to clarify the status of inactive members of the Naval Reserve relating to the holding of offices of trust or profit under the Government of the United States; to the Committee on Armed Services.

(Mr. TYDINGS (from the Committee on Armed Services) reported an original bill (S. 2440) to authorize certain construction at military and naval installations, and for other purposes, which was ordered to be placed on the calendar, and appears under a separate heading.)

(Mr. HUNT (from the Committee on Armed Services) reported an original bill (S. 2441) to amend section 81 of the National Defense Act, as amended, to provide for additional officers of the National Guard of the United States on active duty in the National Guard Bureau, which was ordered to be placed on the calendar, and appears under a separate heading.)

By Mr. LUCAS:

S. 2442. A bill for the relief of Yone T. Park; to the Committee on the Judiciary.

By Mr. MCLELLAN:

S. J. Res. 127. Joint resolution to clarify the status of the Architect of the Capitol under the Federal Property and Administrative Services Act of 1949; to the Committee on Expenditures in the Executive Departments.

MINIMUM FAT CONTENT FOR BREAD

Mr. YOUNG. Mr. President, I introduce for appropriate reference a bill to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread.

There has been a great deal of evidence taken by the Subcommittee on Utilization of Farm Crops, established pursuant to Senate Resolution No. 36 as a subcommittee of the Senate Agriculture Committee, on the subject of the use of chemicals in the baking industry as a substitute for natural fats and oils, the disastrous effect of such practice on the producers of natural fats and oils and the deleterious effect upon the consumers.

Witnesses have told the committee that lard and vegetable shortening are facing a serious threat from the so-called chemical emulsifiers or bread softeners which are beginning to be used in volume in the baking industry. These witnesses claim that with the use of one pound of chemical with a fatty base made from petroleum they can replace six pounds of fats and oils by adding 5 pounds of water to their pound of chemical.

Witnesses have also told the committee that the over-all results of the constant ingestion of these chemicals into the human system is going to ultimately break down the health of our people.

While the hearings will continue and a report thereon filed, the chairman, Mr. GILLETTE, and I, feel that this matter should be forcefully brought to the attention of the American people for their consideration. The legislation would require a minimum content of 4 percent natural fat in bakery products.

The bill (S. 2432) to amend the Federal Food, Drug, and Cosmetic Act by requiring a minimum fat content for bread, introduced by Mr. YOUNG (for himself and Mr. GILLETTE), was read twice by its title, and referred to the Committee on Interstate and Foreign Commerce.

REORGANIZATION PLAN NO. 7 OF 1949

Mr. HAYDEN. Mr. President, I submit for appropriate reference a resolution relating to Reorganization Plan No. 7, and ask unanimous consent that following it, there be printed in the RECORD a memorandum from Mr. Charles F. Boots, of the Senate legislative counsel.

The VICE PRESIDENT. The resolution will be received, and printed, and, without objection, the memorandum will be printed in the RECORD.

The resolution (S. Res. 155) was referred to the Committee on Expenditures in the Executive Departments, as follows:

Whereas Reorganization Plan No. 7 of 1949, transmitted to Congress on June 20, 1949, provided for the transfer of the Public Roads Administration to the Department of Commerce; and

Whereas there was subsequently enacted the Federal Property and Administrative Services Act of 1949 (Public Law 152), approved June 30, 1949, which abolished the Federal Works Agency and transferred all of its functions to the Administrator of General Services, and which changed the name of the Public Roads Administration to the Bureau of Public Roads and transferred all of its functions to the Administrator of General Services; and

Whereas Reorganization Plan No. 7 thus purports to affect agencies which do not in fact exist; and

Whereas section 9 (a) (1) of the Reorganization Act of 1949 (Public Law 109) provides, in substance, that any statute enacted in respect of any agency or function affected by a reorganization plan, before the effective date of such reorganization, shall have the

same effect as if such reorganization had not been made; and

Whereas all doubt should be removed as to whether the above cited statute has made such reorganization plan ineffective: Now, therefore, be it

Resolved, That the Senate does not favor the Reorganization Plan No. 7 transmitted to Congress by the President on June 20, 1949.

The memorandum presented by Mr. HAYDEN is as follows:

OFFICE OF THE LEGISLATIVE COUNSEL, UNITED STATES SENATE.

REORGANIZATION PLAN NO. 7 OF 1949

MEMORANDUM FOR SENATOR HAYDEN

This is in reply to your request for our opinion with respect to the effectiveness of Reorganization Plan No. 7 of 1949, transmitted to the Congress on June 20, 1949.

The substantive provisions of Reorganization Plan No. 7 relate to the transfer of the Public Roads Administration and read as follows:

"SECTION 1. Transfer of Public Roads Administration: The Public Roads Administration, together with its functions, including the functions of the Commissioner of Public Roads, is hereby transferred to the Department of Commerce and shall be administered by the Commissioner of Public Roads subject to the direction and control of the Secretary of Commerce.

"SEC. 2. Transfer of certain functions of Federal Works Administrator: All functions of the Federal Works Administrator with respect to the agency and functions transferred by the provisions of section 1 hereof are hereby transferred to the Secretary of Commerce and shall be performed by the Secretary or, subject to his direction and control, by such officers, employees, and agencies of the Department of Commerce as the Secretary shall designate."

Subsequent to the transmittal to Congress of Reorganization Plan No. 7 the Federal Property and Administrative Services Act of 1949 (Public Law 152) was approved by the President on June 30, 1949. This act, among other things, abolished the Federal Works Agency and the office of Federal Works Administrator and transferred all the functions thereof to the Administrator of General Services, created by the act; and also transferred to the General Services Administration the Public Roads Administration and provided that it should hereafter be known as the Bureau of Public Roads.

It will thus be seen that Reorganization Plan No. 7 seeks to transfer from a non-existent agency (the Federal Works Agency) another nonexistent agency (the Public Roads Administration); and, as noted above, in the case of the Federal Works Agency, the nonexistence results not merely from a change in name but from statutory abolition of the Agency.

I suppose it could be argued that despite the intervening circumstances it was the ultimate purpose of Reorganization Plan No. 7 to transfer the agency in question, by whatever name called, to the Department of Commerce, and that this purpose should be given effect. And perhaps anticipating the unsatisfactory status of the reorganization plan in the light of the then pending Federal Property and Administrative Services Act of 1949, section 4 of the reorganization plan provides as follows:

"SEC. 4. Effect of reorganization plan: The provisions of this reorganization plan shall become effective notwithstanding the status of the Public Roads Administration within the Federal Works Agency or within any other agency immediately prior to the effective date of this reorganization plan."

It appears to me that in everyday language this section is attempting to say that the reorganization plan will be given effect

no matter what the status of the then Public Roads Administration may be immediately prior to the effective date of the reorganization plan. If this be the effect of section 4 of the plan, and I see no other reason for the inclusion therein of the section, I doubt if it accomplishes the purpose, even assuming that Congress should allow the 60-day period to expire without taking any action with respect to Reorganization Plan No. 7. In this connection attention is called to section 9 (a) (1) of the Reorganization Act of 1949, which reads as follows:

"(1) Any statute enacted, and any regulation or other action made, prescribed, issued, granted, or performed in respect of or by any agency or function affected by a reorganization under the provisions of this act, before the effective date of such reorganization, shall, except to the extent rescinded, modified, superseded, or made inapplicable by or under authority of law or by the abolition of a function, have the same effect as if such reorganization had not been made; but where any such statute, regulation, or other action has vested the functions in the agency from which it is removed under the plan, such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan."

While this provision is hedged about by a great deal of verbiage it would appear that it was designed to anticipate the case where, following the submission of a reorganization plan, Congress acted with respect to the agency or function affected in a manner inconsistent with the plan, and to make certain that in that situation the statute would have the same effect as if the reorganization had not been made. There is one qualification to that general statement, however, which is found in the matter following the semicolon in the provision quoted. It states in substance that where the statute has vested the function in the agency from which it is removed under the plan such function shall, insofar as it is to be exercised after the plan becomes effective, be considered as vested in the agency under which the function is placed by the plan. Obviously this has no application to Reorganization Plan No. 7 because the statute (Public Law 152) did not vest the function in the agency from which it is removed under the plan.

From the foregoing it is my opinion that Reorganization Plan No. 7 will not take effect upon the expiration of 60 days following its submission. It is further my opinion that in any event, in the extremely confused situation, clarifying action should be taken either by the Congress or by the Executive.

Respectfully,

CHARLES F. BOOTS,
Assistant Counsel.

AUGUST 11, 1949.

HOUSE BILLS REFERRED

The following bills were each read twice by their titles, and referred as indicated:

H. R. 5342. An act to authorize the Secretary of Defense to lend certain Army, Navy, and Air Force equipment to the Boy Scouts of America for use at the Second National Jamboree of the Boy Scouts; to the Committee on Armed Services.

H. R. 5526. An act to authorize the President to provide for the performance of certain functions of the President by other officers of the Government, and for other purposes; to the Committee on Expenditures in the Executive Departments.

COSTS OF FEDERAL RECLAMATION PROJECTS—AMENDMENT

Mr. O'MAHONEY submitted an amendment intended to be proposed by him to the bill (H. R. 1694) to provide for the return of rehabilitation and bet-

terment of costs of Federal reclamation projects, which was ordered to lie on the table and to be printed.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. STENNIS (for himself, Mr. FULBRIGHT, Mr. MAYBANK, Mr. EASTLAND, Mr. McKELLAR, Mr. JOHNSTON of South Carolina, Mr. YOUNG, Mr. McCLELLAN, and Mr. WHERRY) submitted an amendment intended to be proposed by them, jointly, to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, which was ordered to lie on the table and to be printed.

INTERIOR DEPARTMENT APPROPRIATIONS—AMENDMENTS

Mr. JOHNSON of Colorado submitted an amendment intended to be proposed by him to the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes, which was ordered to lie on the table and to be printed.

Mr. McCARTHY submitted amendments intended to be proposed by him to House bill 3838, supra, which were ordered to lie on the table and to be printed.

LIQUIDATION OF TRUSTS UNDER TRANSFER AGREEMENTS WITH STATE RURAL REHABILITATION CORPORATIONS—AMENDMENTS

Mr. JOHNSON of Colorado submitted amendments intended to be proposed by him to the bill (S. 930) to provide for the liquidation of the trusts under the transfer agreements with State rural rehabilitation corporations, and for other purposes, which were ordered to lie on the table and to be printed.

EXTENSION OF TRADE AGREEMENTS ACT—AMENDMENT

Mr. BUTLER submitted an amendment intended to be proposed by him to the bill (H. R. 1211) to extend the authority of the President under section 350 of the Tariff Act of 1930, as amended, and for other purposes, which was ordered to lie on the table and to be printed.

MILITARY ASSISTANCE TO FOREIGN NATIONS—AMENDMENTS

Mr. VANDENBERG. Mr. President, on behalf of the Senator from New York [Mr. DULLES] and myself, I submit for reference to the Committees on Foreign Relations and Armed Services, jointly, a series of amendments intended to be proposed by us jointly to the bill (S. 2388) to promote the foreign policy and provide for the defense and general welfare of the United States by furnishing military assistance to foreign nations, and I ask unanimous consent that the amendments be printed in the Record, together with a brief explanation by the Senator from New York and myself.

The VICE PRESIDENT. The amendments will be received and referred to the Committees on Foreign Relations and Armed Services, jointly, as requested by the Senator from Michigan, and, without objection, the amendments and explanation will be printed in the Record.

The amendments submitted by Mr. VANDENBERG (for himself and Mr. DULLES) are as follows:

Amendment 1: On page 2, beginning with line 18, strike out down through line 7 on page 3 and insert in lieu thereof the following:

"Sec. 101. In view of the coming into force of the North Atlantic Treaty and the anticipated establishment thereunder of the Council and the Defense Committee which will recommend measures for the common defense of the North Atlantic area, and in view of the fact that the task of the Council and the Defense Committee can be facilitated by immediate steps to increase the integrated defensive armed strength of the parties to the treaty, the President is hereby authorized to furnish military assistance in the form of equipment, materials and services to such nations as are parties to the treaty and have heretofore requested such assistance. Any such assistance furnished under this title shall be subject to agreements, further referred to in section 402, designed to assure that the assistance will be used to promote an integrated defense of the North Atlantic area and to facilitate the development of defense plans by the Council and the Defense Committee under article 9 of the North Atlantic Treaty; and after the agreement by the Government of the United States with defense plans as recommended by the Defense Committee, military assistance hereunder shall be furnished only in accordance therewith, and in the event of any inconsistency between agreements made hereunder and the agreed defense plans under the North Atlantic Treaty, the latter shall prevail."

Amendment 2: On page 3, line 13, strike out "\$1,160,990,000" and insert in lieu thereof "\$500,000,000."

Amendment 3: On page 3, between lines 13 and 14, insert the following new section:

"Sec. 103. In addition to the amount authorized to be appropriated under section 102, without further legislative authorization, the President is hereby authorized to enter into contracts for carrying out the provisions and accomplishing the policies and purposes of this title in amounts not exceeding in the aggregate \$500,000,000 during the period ending June 30, 1950, and there are hereby authorized to be appropriated for expenditure after June 30, 1950, such sums as may be necessary to pay obligations incurred under this contract authorization."

Amendment 4: On page 7, line 18, strike out "If the President" and insert in lieu thereof "If such assistance would contravene any decision of the Security Council of the United Nations, or if the President otherwise."

Amendment 5: On page 7, between lines 23 and 24, insert the following new section:

"Sec. 406. Assistance to any nation under this act may, unless sooner terminated by the President, be terminated by concurrent resolution by the two Houses of the Congress."

Renumber all following sections accordingly.

Amendment 6: On page 11, line 8, strike out the period and insert a semicolon and the following:

"and the amount, if any, remaining after the payment of such administrative expenses shall be used only for purposes specified by act of Congress."

Amendment 7: On page 11, between lines 22 and 23, insert the following new subsection:

"(f) Any equipment or materials procured to carry out the purposes of title I of this act, shall be retained by, or transferred to, and for the use of, such Department or Agency of the United States as the President may determine in lieu of being disposed of to a nation which is a party to the

North Atlantic Treaty whenever in the judgment of the President of the United States such disposal to a foreign nation will not promote the self-help, mutual-aid, and collective capacity to resist armed attack contemplated by the treaty or whenever such retention is called for by concurrent resolution by the two Houses of the Congress."

The explanation of the amendments presented by Mr. VANDENBERG (for himself and Mr. DULLES) is as follows:

The administration has proposed to initiate now a major military assistance program which would run over a 2-year period. We believe in beginning now; but also we believe in making certain that what is started now will integrate surely and quickly into the agreed plan for area defense that will emerge from the North Atlantic Treaty. That plan must control the situation. We do not want two separate programs running at the same time. Therefore, we propose (see amendment 1) to rewrite the basic policy section of the bill (sec. 101) to provide that the agreements pursuant to which present assistance is rendered will obligate the recipients to use the assistance to promote an integrated defense of the north Atlantic area in accordance with defense plans to be made under article 9 of the North Atlantic Treaty. Also we would stipulate that after such defense plans have been agreed to, no military assistance shall be given under the present law except in accordance with the over-all defense plans and that such treaty plans shall prevail as against the nontreaty plans now made. This assures that the present program is in fact an interim program to be geared into the North Atlantic Treaty procedure just as rapidly as possible.

Amendment No. 7 (to sec. 408 of present bill, sec. 409 in proposed amendments) is a key amendment designed to provide the mechanics for cutting off from this interim program any elements which will not gear into the North Atlantic Treaty plan for area defense. It provides that if any of the equipment or materials procured from an appropriation under the act will not, in the light of developments, serve to promote the self-help, mutual-aid and collective capacity to resist armed attack of the parties to the North Atlantic Treaty, then the President or the Congress may require such equipment and material to be retained as part of the United States Military Establishment rather than make delivery to any foreign nation.

Amendments 2 (to sec. 102) and 3 (adds new sec. 103) deal with the amount of assistance authorized to be given to North Atlantic Treaty countries. The Administration has proposed that \$1,160,990,000 be now appropriated. We propose to authorize an appropriation of \$500,000,000 for the fiscal year ending June 30, 1950, and to authorize the making of contracts, calling for expenditures thereafter of \$500,000,000. That would charge the costs into the budget of the year when, in fact, they will be incurred.

We believe that subsection (c) of section 403, dealing with the value of military equipment and materials ought to be further elaborated, particularly in relation to so-called surplus or excess equipment. But this calls for further technical study.

Our amendments involve a net reduction of \$160,990,000. Detailed analysis has shown that there are economies that can be effected in the present program without altering its substance. Also the proposed reduction could be effected in large part by eliminating funds intended to stimulate increased military production on the Continent. We believe that the decision of whether and where to develop a permanently expanded munitions industry on the Continent involves very important policy considerations, not merely military, and that it could better be left to a collective judgment under the North

Atlantic Treaty procedure. If the Council and Defense Committee and the Governments concerned agree that this is sound policy, then it can be gotten under way within 6 months.

Amendment No. 4 (to sec. 405) eliminates an ambiguity in the present bill which suggests that the President of the United States would have discretion to determine whether or not to comply with a decision of the United Nations Security Council by which, under the Charter, the United States would be bound.

Amendment No. 5 (adds new sec. 406) provides for termination of assistance to any nation, not only by the President, but also by concurrent resolution by the two Houses of Congress. Comparable provisions were contained in the lend-lease legislation of 1941 and in the act for assistance to Greece and Turkey of 1947.

Amendment No. 6 (to sec. 408 of the present bill, sec. 409 in proposed amendments) is designed to meet the possibility that foreign currencies may be received in payment or part payment for military assistance rendered. The present bill authorizes their use for administrative expenses in the countries concerned, but as to balance, makes no provision. This means that such foreign currencies might in effect become a revolving fund further extending the scope of military assistance. Our amendment would provide that such foreign currencies, except as needed for administrative expense abroad, could not be used for any purpose except by the specific authorization of Congress.

The net effect of the major amendments to be proposed is to make clear the supremacy of the North Atlantic Treaty. Its procedures for collective area defense must prevail as against any bilateral or national system to be inaugurated now. Our proposed amendments will not delay by a day, or substantially reduce in scope, the present program. They do assure that the present program will in reality be only an interim program, to be geared into the integrating processes of the North Atlantic Treaty at the earliest practical date. The amended bill would keep full faith with our partners of the North Atlantic community, assuring them on the one hand a prompt beginning of substantial military assistance, and on the other hand, the transformation of such assistance from national auspices to the collective integrating auspices of the treaty as soon as this is possible.

We believe that, with the amendments outlined, the bill should receive and will receive the support of the Congress and of the country.

CONVERSION OF NATIONAL BANKING ASSOCIATIONS INTO STATE BANKS—AMENDMENTS

Mr. CAIN submitted amendments intended to be proposed by him to the bill (H. R. 1161) to provide for the conversion of national banking associations into and their merger or consolidation with State banks, and for other purposes, which were referred to the Committee on Banking and Currency, and ordered to be printed.

AMENDMENT OF NATIONAL HOUSING ACT—AMENDMENTS

Mr. CAIN. Mr. President, on behalf of myself, the Senator from Vermont [Mr. FLANDERS], the Senator from Ohio [Mr. BRICKER], and the Senator from Virginia [Mr. ROBERTSON], I submit for appropriate reference amendments, intended to be proposed by us jointly to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and I ask unanimous consent

that the amendments, together with a statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection, the amendments, together with the statement presented by the Senator from Washington will be printed in the RECORD.

The amendments are as follows:

Beginning with line 20 on page 63, strike out all through line 15 on page 83.

Change title and section numbers and cross references to sections accordingly.

The statement presented by Mr. CAIN is as follows:

STATEMENT BY SENATOR CAIN

Mr. CAIN. Mr. President, on behalf of the junior Senator from Virginia [Mr. ROBERTSON], the junior Senator from Vermont [Mr. FLANDERS], the junior Senator from Ohio [Mr. BRICKER], and myself, I am offering an amendment to strike out title III of S. 2246, the so-called Housing Amendments of 1949. This title would precipitate the United States Government into the private home building market to the tune of \$1,000,000,000, a move which would be in direct and unreasonable competition with private financial institutions, and a proposal which, in the considered judgment of Mr. Foley, Administrator of the HHFA, would not achieve the objectives it is designed to accomplish.

Mr. President, I have already termed this title of S. 2246 a revolutionary proposal and it is reported that such a friend of good housing as Senator TAFT agrees with me, as do the members of the Senate Banking and Currency Committee whose names appear as cosponsors of this amendment.

Why do we sincerely believe this to be the case? I would like to very briefly explain the mechanics of this proposal.

Title III would set up a new billion-dollar program of direct Government loans to cooperatives, such loans to be made at the going Federal interest rate plus one-half percent, or a total about 3 percent under current conditions. These loans could be amortized over a period of years not to exceed the estimated life of the property, but in no event more than 50 years.

A new constituent agency within the Housing and Home Finance Agency would be established to administer the program and make the loans. So we have an example of still another large Government unit being proposed at a time when the Hoover Commission experts recommend condensation and consolidation, not expansion and diffusion.

This proposed Cooperative Housing Administration would obtain its loan funds by issuing notes for purchase by the Secretary of the Treasury. The effects of this type of operation on our national debt position and our fiscal policies are considerable, and I know the Senator from Vermont [Mr. FLANDERS] is considerably concerned about this.

I might pause to make the point that the addition of still another considerable, untried program within the administrative jurisdiction of the Housing and Home Finance Agency at this time would create an intolerable administrative burden bordering on complete chaos and confusion. Senators should remember, I believe, that vast new public housing, slum clearance, and housing research programs are presently being set up in the HHFA with the manifold problems contained in each. If I were a betting man, I would wager that Mr. Foley is shuddering at the thought of possible new programs being thrust upon him at this time. He has his hands full already.

The proponents of this program argue that tremendous savings can be effected for the

benefit of the cooperative owner. Certainly, to a degree, this would be true because of the unfair Government participation in the loaning process. However, the very substantial savings indicated by several witnesses before our committee are not at all in accord with the expert testimony given by Mr. Foley. I ask unanimous consent to place in the record at this point, as a part of my remarks, a portion of Mr. Foley's comments on this subject. Senators will notice that his calculations are based on a 60-year maximum maturity, which the committee reduced to 50 years, so the average rental he indicates will be even higher under the committee bill.

"I am calling these considerations to the attention of the committee in connection with title III of the pending bill because I believe they merit and require careful study. This is particularly so in view of the fact that the financing proposals contained in this title represent a substantial departure from the Federal Government's existing role in housing finance, except in connection with those problem areas where public subsidy is clearly necessary.

"With these considerations in mind, I believe the committee will also wish to appraise the effectiveness of the proposals in title III from the standpoint of serving the broad range of needs in the middle-income housing market. On the basis of studies made by the Housing and Home Finance Agency of this and similar proposals, we estimate that the financing formula contained in title III (i. e., a 100-percent loan with interest at 3 percent and a term of 60 years) would result in a gross rent of approximately \$69 a month for a 4½-room unit involving an overall capital cost of \$9,000. This estimate makes full allowance for the nonprofit character of the corporations which would be eligible to develop projects under title III, as well as for substantial operating economies, including management and operating services well below the level ordinarily furnished in a privately financed rental housing project, plus a considerable amount of tenant maintenance. The FHA's experience with large-scale rental projects with management and operating services of the character generally supplied in privately financed projects indicates that monthly operating charges might well be \$10 higher, with a corresponding increase in rents.

"Assuming an average range of 20 percent upward and downward from the national cost average between the lowest-cost areas and the highest-cost areas, this estimate would indicate a possible range of achievable gross rents of from about \$55 to about \$83. Of course, the populations in the higher-cost areas generally have relatively higher average incomes and, conversely, the families in the lower-cost areas generally lower-average incomes.

"On the basis of these estimates, it therefore appears that the financing formula in title III, even when combined with the maximum operating economies which can realistically be expected from a nonprofit cooperative operation, would under current conditions result in rents suitable only for roughly the upper half of the middle-income market."

Mr. President, if title III of S. 2246 passes the Congress and becomes public law, it will represent a radical departure from our private home financing methods. It will effectively subsidize a segment of our society which, with the application of thrift and self-denial, has the means to go into the private money market for its loans.

In conclusion, I want to make it perfectly clear that cooperative housing in the United States can and will succeed without any such a scheme. The Eightieth Congress passed section 207 (c) (2) of the National Housing Act about a year ago in the special session. This is a cooperative housing section which has been understandably slow in developing

because of great technical difficulties. But with the addition of the proposed new section 213, contained in title I, of S. 2246, a proposal sponsored largely by the American Legion, the cooperative program will move into high gear, in my opinion. This section is based on the principle of insured loans and is in accord with our FHA system, within which it would continue to be administered. Certainly, this is the preferable way to do the job and achieve the objective of sound cooperative housing.

Mr. CAIN. Mr. President, I submit for appropriate reference amendments intended to be proposed by me to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and I ask unanimous consent that the amendments, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. The amendments will be received, printed, and lie on the table, and, without objection, the amendments, together with the explanatory statement will be printed in the RECORD.

The amendments submitted by Mr. CAIN are as follows:

On page 47, line 6, beginning with the comma following "605 (b)" strike out all down to and including "606" in line 7.

Beginning with line 18 on page 47 strike out all through line 6 on page 57.

On page 57, line 7, strike out "Sec. 607." and insert "Sec. 606."

On page 57, line 8, beginning with the comma following "housing" strike out all down to and including the comma following "Act" in line 10.

On page 58, line 3, strike out "607 (b)" and insert "606 (b)."

On page 60, line 15, strike out "Sec. 608." and insert "Sec. 607."

The explanatory statement presented by Mr. CAIN is as follows:

EXPLANATORY STATEMENT BY SENATOR CAIN

A second amendment which I am submitting at this time in relation to S. 2246 deals primarily with title II, section 606, of the bill. This section authorizes the transfer of 149 permanent Lanham Act war-housing projects to specified municipalities for use as low-rent public housing; it also sets up elaborate and complicated procedures for such transfers.

Mr. President, not only does this directly add some 35,000 units to the 810,000 public-housing units which Congress recently authorized, but it flies directly in the face of the policy declared by Congress when it enacted the so-called Lanham Act.

Of a total of 191,100 permanent war-housing units constructed, some 48,600 have been disposed of by sale, leaving a total of 142,500 still in the Government's jurisdiction. Of these, the 149 projects to be specifically transferred for low-rent public housing purposes represent approximately 35,000 units. Senators should realize that such a transfer will, in effect, completely write off any possibility of a financial return on these units, which cost some \$150,000,000 to construct. I hope the Senate takes note of this fact and realizes that terms of sale could eventually be negotiated, under the policy laid down by the Lanham Act, for a number of these projects. Veterans have a strong priority in such negotiated sales, and my amendment would not in any way disturb the improvements in such sales procedures which S. 2246 sets up.

I believe that the sections of title II which deal with disposal of temporary war housing and veterans' reuse housing are very creditably worked out, and my amendment would not affect these sections in any way.

But I wonder whether Congress wishes to contradict its previous policy declaration which said:

"It is declared to be the policy of this subchapter to further the national defense by providing housing in those areas where it cannot otherwise be provided by private enterprise when needed, and that such housing may be sold and disposed of as expeditiously as possible; *Provided*, That in disposing of said housing consideration shall be given to its full market value and said housing or any part thereof shall not, unless specifically authorized by Congress, be conveyed to any public or private agency organized for slum clearance or to provide subsidized housing for persons of low income: *Provided further*, That the Administrator may, in his discretion, upon the request of the Secretaries of War or Navy transfer to the jurisdiction of the War or Navy Departments such housing constructed under the provisions of subchapters II-IV of this chapter as may be considered to be permanently useful to the Army or Navy."

This policy declaration is clear; it states that if public or private agencies organized for slum clearance or public housing wish to obtain title of a project for those purposes, Congress reserves the right to authorize a specific transfer. If this policy had been reasonably followed and if sales had been expedited, as well as specific transfers requested, the Government would be in a much more favorable position today. Now the policy would be reversed by mass transfer. I urge that Senators consider these factors.

One more thing in this connection—how about those tenants presently in these permanent projects designed for transfer if their incomes are above the low-income levels which must be met? Do not these tenants deserve consideration from prior occupancy? Would not these tenants be the very ones who would be in the best position to purchase, if the original Lanham Act policy were followed? The bill as reported would disregard these tenants if their incomes are a few dollars above low-income public-housing levels, and they would be evicted within a very short time.

I believe a much longer time should be spent by the committee in studying these aspects before any such mass transfer for low-rent public housing is enacted.

Mr. CAIN. Mr. President, I also submit for appropriate reference an amendment intended to be proposed by me to the bill (S. 2246) to amend the National Housing Act, as amended, and for other purposes, and I ask unanimous consent that the amendment, together with an explanatory statement by me be printed in the RECORD.

The VICE PRESIDENT. Without objection, the amendment will be received, printed, and lie on the table, and, without objection, the amendment and explanatory statement will be printed in the RECORD.

The amendment submitted by Mr. CAIN is as follows:

Beginning with line 4, on page 86, strike out all through line 6, on page 91.

The explanatory statement presented by Mr. CAIN is as follows:

EXPLANATORY STATEMENT BY SENATOR CAIN

Mr. President, I am offering a third amendment to S. 2246 which would have the effect of striking from the bill the sections providing for so-called supplemental direct loans by the Veterans' Administration to veterans under the GI guaranteed home-loan program. A revolving fund of \$300,000,000 would be established for that purpose, under the terms of the committee bill.

The sections I am referring to will be found in title IV of the bill, which amends the Servicemen's Readjustment Act of 1944. I wish to make it clear that those sections of title IV are quite satisfactory which increase the allowable aggregate amount of the GI loan guaranty to \$7,500 (from the present \$4,000), which permit 60 percent of a loan to be guaranteed (instead of the present 50 percent), and which repeal the so-called combination loan. In addition, title I of the bill previously provides that all GI home and farm loans of \$10,000 or less, which have been certified as meeting minimum construction standards by the VA, can be purchased by the Federal National Mortgage Association. This removes the present 50-percent purchase limitation on the portfolio of a mortgagee and practically assures as liquid a portfolio as a mortgage dealer desires, while at the same time guarding the Government against possible bad paper.

Mr. President, I cannot logically escape the conclusion that this so-called supplemental direct loan power by the Veterans' Administration cannot be justified by the facts. What are the prospects for GI 4-percent home loans in the present market? I believe that an analysis will conclusively demonstrate that they are excellent, particularly with the addition of a 100-percent secondary market, which I have mentioned.

I have gathered some figures on the volume of GI guaranteed home loans over a considerable period of time to aid me in my thinking. I ask unanimous consent to include as a part of my remarks at this point a short table showing the volume of GI home-loan applications requested by lenders from the loan-guaranty service of the VA.

Monthly volume of applications for GI home-loan guaranties

1946-47	
August 1946 (peak)	58,000
September 1947	52,700
October	48,600
November	46,400
December	38,500
1948	
January	32,800
February	32,100
March	30,000
April	28,800
May	31,400
June	30,200
July	25,000
August	27,800
September	24,200
October	23,500
November	23,100
December	21,000
1949	
January	19,700
February	19,500
March	18,900
April	21,600
May	25,400
June	27,400
July	(¹)

¹ Not compiled; preliminary estimates about same volume as June.

What do these figures mean? Obviously, the considerable spurt beginning in April of this year and continuing steadily through the present time augurs well for the GI home-loan money market. It should be plain to any fair-minded person that the long-term downward trend in GI home-loan guaranty applications has been conclusively reversed since March. With the advent of the reinforced secondary market contemplated by title I of S. 2246, any lingering dried-up areas will respond immediately.

What are some of the reasons for this reversal, even without the aid of a 100-percent secondary market? I believe the facts are clear and worthy of careful consideration when future trends are con-

templated. In the first place, there has been a near record flow of savings into mortgage institutions in the past several months, particularly into savings and loan institutions. This is caused, of course, by continued high levels of personal income accompanied by deferred consumer expenditures during the recent mild recession and price declines. With more money to invest available, these institutions have responded even more readily than usual to home-loan requests.

Secondly, recent general declines in bond yields, which the Senate is well aware of, have made other forms of investment and savings relatively more attractive. Whereas a 4-percent return has looked comparatively small until recent months, such is not the case today. As a result, 4-percent GI home loans are now readily available in practically every section of the country, a fact which is reluctantly admitted by the proponents of the so-called supplemental direct loans. They can only partially substantiate their position by looking backward, not forward, which certainly does not make for good legislation.

Another reason for the upswing in GI home loan guaranty applications is due to steady decreases in the costs of building, resulting in more than a 10 percent decline in some materials. Quite naturally, many veterans who had been forced to forego a chance to build their homes because of high costs are now in the market and lenders themselves have been processing a considerably larger number of applications during the past few months.

Certainly with the improved quality of GI mortgages—now that appraisals are more carefully related to reasonable value—the improvement in the secondary market contemplated in this bill, and the increased guaranty allowable, the veteran who is a good credit risk will have every opportunity to purchase or build his home. We should remember that over \$8,000,000,000 of GI home loan guaranties have been closed over the length of the program, certainly an enviable record. Why go off on a new tangent including direct government competition with the private money market under these circumstances?

Mr. President, I ask unanimous consent to include as a part of my remarks at this point a portion of the testimony of Mr. Foley on this section.

"Section 401 (d) provides an authorization for a 2-year \$300,000,000 program of direct loans to veterans who have not previously availed themselves of their guaranty entitlement and who are unable to obtain from private lending institutions loans at 4 percent or less, for which they are qualified under section 501 of the Servicemen's Readjustment Act, to finance the purchase or construction of a home.

"I desire to make it entirely clear that I am not opposed to direct loans by the Government where the circumstances fully justify their use. However, I do not believe that the direct lending authority provided by section 401 (d) of H. R. 5631 is necessary to accomplish the objective of the home loan guaranty provisions of the Servicemen's Readjustment Act—the opportunity for veterans of World War II to borrow, on reasonable terms, funds to finance the purchase or construction of a home.

"This bill contains other provisions directed toward that same objective. First, it permits loans to veterans, for home purchase or construction, to be guaranteed in an amount not to exceed 60 percent (as compared to the present 50 percent) of the loan, and also permits the aggregate amount of the loan guaranteed to be up to \$7,500 (as compared with the present \$4,000). Second, it provides that all GI guaranteed home loans in the amount of \$10,000 or less and otherwise eligible may be purchased by the Fed-

eral National Mortgage Association without regard to the 50-percent limitation. These provisions should make these loans much more attractive to lenders generally throughout the country and make it unnecessary to resort to direct Federal lending on individual homes in order to permit veterans generally to obtain funds to purchase or construct homes. It is for these reasons that I have been authorized by the Director of the Bureau of the Budget to advise that the enactment of section 401 (d) of the bill would not be in accord with the program of the President."

I have concluded my arguments dealing with these amendments at this time, although I have much more material to offer when the bill comes up for debate. I hope that Senators will give these views careful thought because the billions of dollars involved in S. 2246 will have great influence on the money market and the fiscal policies of the Government. I contend that the revolutionary departures found in this bill are not only bad in principle but are not needed. Further time should be devoted by the committee to a serious study of the implications and consequences involved in (a) using Latham Act housing for low-rent purposes; (b) direct housing loans to veterans; and, (c) cooperatives to be established through direct Federal loans.

AMENDMENT OF FAIR LABOR STANDARDS ACT—AMENDMENT

Mr. HOLLAND. Mr. President, S. 653 has, I believe, been the unfinished business of the Senate for about 3 weeks. For myself and for the Senator from Iowa [Mr. GILLETTE], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Nebraska [Mr. WHERRY], the Senator from New Hampshire [Mr. BRIDGES], and the Senator from Pennsylvania [Mr. MARTIN] I should like to send forward now a proposed amendment to the bill (S. 653) to provide for the amendment of the Fair Labor Standards Act of 1938, and for other purposes, and ask that it be printed at this point in my remarks and appear in the RECORD. I also ask that the amendment be printed and lie on the table awaiting the taking up of the business before the Senate.

The VICE PRESIDENT. The amendment will be received, printed, and lie on the table, and, without objection, the amendment will be printed in the RECORD.

The amendment submitted by Mr. HOLLAND (for himself and other Senators) is as follows:

On page 41, after line 17, insert the following:

"(e) Section 13 (a) of such act is further amended by striking out clause (2) thereof and inserting in lieu thereof the following:

"(2) Any employee employed by any retail or service establishment, more than 50 percent of which establishment's annual dollar volume of sales of goods or services is made within the State in which the establishment is located. A "retail or service establishment" shall mean an establishment 75 percent of whose annual dollar volume of sales of goods or services (or of both) is not for resale and is recognized as retail sales or services in the particular industry; or (3) any employee employed by any establishment engaged in laundering, cleaning, or repairing clothing or fabrics, more than 50 percent of which establishment's annual dollar volume of sales of such services is made within the State in which the establishment is located, provided that 75 percent of such establishment's annual dollar volume of sales of such services is made to customers who are not

engaged in a mining, manufacturing, transportation, or communication business."

"Renumber the remaining clauses of section 13 (a) in proper sequence."

ADDRESS BEFORE AMERICAN LEGION CONVENTION BY SENATOR LUCAS

[Mr. LUCAS asked and obtained leave to have printed in the Appendix of the Record an address delivered by him before the American Legion convention at Chicago, August 6, 1949, which appears in the Appendix.]

THE CHALLENGE OF POLISH RELIEF, 1949—ADDRESS BY SENATOR WILEY

[Mr. WILEY asked and obtained leave to have printed in the Record an address entitled "The Challenge of Polish Relief, 1949," delivered by him at the American Relief for Poland picnic in Milwaukee, Wis., on August 14, 1949, which appears in the Appendix.]

REORGANIZATION PERIL—EDITORIAL FROM THE WASHINGTON POST

[Mr. LUCAS asked and obtained leave to have printed in the Record an editorial entitled "Reorganization Peril," published in the Washington Post of August 15, 1949, which appears in the Appendix.]

REORGANIZATION PLAN NO. 1—FAVORABLE COMMENT

[Mr. MURRAY asked and obtained leave to have printed in the Record the testimony of the American Public Welfare Association, a letter from the American Public Health Association, and a Gallup poll, all dealing with Reorganization Plan No. 1, which appear in the Appendix.]

THE ARMS AID PROGRAM—EDITORIAL COMMENT

[Mr. PEPPER asked and obtained leave to have printed in the Record an editorial entitled "General Marshall Speaks," published in the New York Times of August 2, 1949; an editorial entitled "If We Break Faith," published in the Dayton (Ohio) Daily News, of July 26, 1949; an editorial entitled "Inevitable Result," published in the Topeka (Kans.) Daily Capital of July 28, 1949; and an editorial entitled "An Eloquent Voice for Arms Aid," published in the Christian Science Monitor of July 29, 1949, which appear in the Appendix.]

LT. GEN. JOSEPH LAWTON COLLINS—EDITORIAL FROM THE TIMES-PICAYUNE

[Mr. ELLENDER asked and obtained leave to have printed in the Record an editorial entitled "Signal, Merited Promotion," commending the nomination of Lt. Gen. Joseph Lawton Collins to be Army Chief of Staff, published in the New Orleans Times-Picayune of August 13, 1949, which appears in the Appendix.]

UNITED STATES UNDERGROUND—ARTICLE BY MALVINA LINDSAY

[Mr. FULBRIGHT asked and obtained leave to have printed in the Record an article entitled "United States Underground," written by Malvina Lindsay and published in the Washington Post of recent date, which appears in the Appendix.]

NINETY YEARS AFTER—EDITORIAL FROM THE OIL CITY (PA.) DERRICK

[Mr. MARTIN asked and obtained leave to have printed in the Record an editorial entitled "Ninety Years After," published in the Oil City (Pa.) Derrick of August 10, 1949, which appears in the Appendix.]

SOLD SHORT—EDITORIAL FROM THE MAGAZINE PARTNERS

[Mr. BUTLER asked and obtained leave to have printed in the Record an editorial entitled "Sold Short," published in the maga-

zine Partners of August 1949, which appears in the Appendix.]

PHILIP M. KAISER, ASSISTANT SECRETARY OF LABOR—STATEMENT BY SENATOR O'CONOR

[Mr. O'CONOR asked and obtained leave to have printed in the Record a statement prepared by him in tribute to Mr. Philip M. Kaiser on his confirmation as Assistant Secretary of Labor, which appears in the Appendix.]

SMALL WORLD STILL TOO BIG FOR UNCLE SAM TO SUPPORT SINGLE-HANDEDLY

[Mr. MUNDT asked and obtained leave to have printed in the Record an item from the Miner County Pioneer, published at Howard, S. Dak., which appears in the Appendix.]

THE WELFARE STATE—ARTICLE FROM NEWSWEEK

[Mr. CAIN asked and obtained leave to have printed in the Record an article from the August 15 issue of Newsweek entitled "The Welfare State: Everyone's Feeling Much Better," which appears in the Appendix.]

THE NORTH ATLANTIC PACT—LETTER FROM DR. BYRON B. BLOTZ

[Mr. JOHNSON of Colorado asked and obtained leave to have printed in the Record a letter addressed to him by Dr. Byron B. Blotz, relative to his vote on the so-called North Atlantic Pact, which appears in the Appendix.]

NATIONAL CAPITAL PARK AND PLANNING COMMISSION—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the Record at this point as a part of my remarks a statement which I have prepared, including comments by the National Capital Park and Planning Commission on the Hoover Commission recommendations as they affect that agency.

There being no objection, the statement was ordered to be printed in the Record, as follows:

STATEMENT OF SENATOR JOHN L. McCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. McCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, released today a letter from Mr. A. E. Demaray, vice chairman and acting executive officer of the National Capital Park and Planning Commission, with reference to the recommendations of the Hoover Commission which affect that agency.

Mr. Demaray centers his comments largely on pending legislation prepared to carry out an administration program, which is somewhat at variance with the Hoover Commission's recommendations. It is his contention that wherever the report of the Hoover Commission is in conflict with this carefully prepared legislation, then the provisions of the bills now before Congress should take preference. The bills which affect the National Capital Park and Planning Commission are H. R. 4848, pending before the House Committee on the District of Columbia, and S. 1931, reported favorably by the Senate Committee on the District of Columbia on July 6, 1949.

It is Mr. Demaray's view that the task-force report accompanying the Hoover Commission Reports on Business Enterprises and the Department of the Interior greatly confuses the advances made by this Commission to the District of Columbia and to the Maryland National Capital Park and Planning Commission, and points out that on the other hand, the study of the Bureau of the Budget goes fully into the question of land acquisi-

tion and justifies the continuance of the present activities of the Commission with respect to land acquisition.

In concluding his report to this committee, Mr. Demaray objects to the recommendation made by the Hoover Commission that the National Capital Park and Planning Commission be placed under the Secretary of Works for administrative purposes, pointing out that the importance of the development of the National Capital at Washington requires a planning agency, not a public works agency, and that the pending legislation should be approved so that it will continue to have an independent status and report direct to the President of the United States. The Commission also suggests that its land-acquisition program, including its loans to the District of Columbia and metropolitan Maryland, remain unchanged.

The letter from the National Capital Park and Planning Commission follows:

NATIONAL CAPITAL PARK AND PLANNING COMMISSION, Washington, D. C.

Subject: Report on Hoover Commission Recommendations.

Hon. JOHN L. McCLELLAN, Chairman, Committee on Expenditures in the Executive Departments, United States Senate, Washington, D. C.

MY DEAR SENATOR McCLELLAN: This acknowledges receipt of your letter of July 12, 1949, in which you request a detailed report on recommendations of the Commission on Organization of the Executive Branch of the Government affecting our Commission. Your letter was directed to Maj. Gen. U. S. Grant 3d, as chairman. General Grant's term of office with the Commission expired on June 30, 1949. Since that time he has not been either a member of the Commission or chairman thereof. On June 29, 1949, the Commission elected as its new Chairman William W. Wuster.

First, let me give a word of explanation as to the delay in reporting on the Hoover Commission recommendations. We received from the Bureau of the Budget a request addressed to the heads of departments and agencies to make such a report. At that time, however, the Bureau of the Budget was completing a study of the reorganization of the Commission which was begun under the direction of President Roosevelt and continued under the active direction and support of President Truman. Legislation was being drafted to put the findings of the Bureau of the Budget into effect and so it seemed unnecessary and probably confusing to attempt to comment on the Hoover Commission's recommendations until the legislation approved by the Bureau of the Budget was forwarded to Congress.

This legislation was finally put into bill form and identical bills were introduced in the House of Representatives on May 24 as H. R. 4848 by Mr. McMILLAN, chairman of the House District Committee and an ex officio member of this Commission and introduced in the Senate on May 25 by Senator McGRATH, chairman of the Senate District Committee and also ex officio member of this Commission. A hearing was held on S. 1931, favorably reported by the Senate Committee, and is now on the Senate Calendar. I am attaching copy of letter from the Director of the Bureau of the Budget to Chairman McGRATH showing the personal interest of the President in this legislation, and copies of H. R. 4848 and S. 1931.

We respectfully recommend, thereto, that wherever the report of the Hoover Commission is in conflict with this carefully prepared legislation, then the provisions of the bills now before Congress should take preference.

Appendix Q of the Hoover Commission report makes reference to the bill reorganizing the government of the District of Columbia and makes reference to its land-purchasing

functions. Appendix R, pages 58 and 59, greatly confuses the advances made by this Commission to the District of Columbia and to the Maryland National Park and Planning Commission.

The study of the Bureau of the Budget mentioned before goes fully into the question of land acquisition and justifies the continuance of the present activities of the Commission with respect to land acquisition. Attached hereto is a report of the Bureau of the Budget on this phase of the Commission's activities.

The Hoover Commission recommends that as a public works agency this Commission be placed under the "Secretary of Works for administrative purposes." Because of the importance of the Nation's Capital and the development of Washington and environs and because this is a planning agency, not a public works agency, the legislation drawn by the Bureau and approved by the President leaves it as an independent agency responsible directly to the President of the United States. We therefore urge strongly that the President's preference in this matter be followed.

The latest bill for the reorganization of the government of the District of Columbia introduced by Senator KEFAUVER (S. 1527) and now before the House District Committee, also has certain variations from H. R. 4848 and S. 1931. For your information and guidance, I am enclosing copy of letter presented by representatives of this Commission to the House Committee on the District of Columbia, which is holding hearings on the Kefauver bill, urging certain amendments to the Kefauver bill so as to bring it in line with H. R. 4848.

Summing up, our recommendations are:

1. That the National Capital Park and Planning Commission be retained as an independent agency operating directly under the President,
2. That its land-acquisition program, including its loans to the District of Columbia and metropolitan Maryland remain unchanged, and
3. That wherever there is a conflict between H. R. 4848 and S. 1931 and any home-rule bill, including S. 1527 and recommendations of the Hoover Commission, that the provisions of H. R. 4848 and S. 1931 prevail. This would mean the rejection of the recommendations of the Hoover Commission as found in appendix Q and in appendix R.

Yours very truly,

A. E. DEMARAY,
Vice Chairman and Acting
Executive Officer.

NATIONAL CAPITAL HOUSING AUTHORITY—COMMENTS ON HOOVER COMMISSION RECOMMENDATIONS

Mr. McCLELLAN. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks a statement which I have prepared, including comments by the National Capital Housing Authority on the Hoover Commission Recommendations as they affect that agency.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JOHN L. McCLELLAN, CHAIRMAN, SENATE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS

Senator JOHN L. McCLELLAN, chairman of the Senate Committee on Expenditures in the Executive Departments, today released a letter from Mr. John Ihlder, executive officer of the National Capital Housing Authority, with reference to the effect recommendations of the Hoover Commission would have on that agency.

Mr. Ihlder commented specifically on a recommendation made by the Hoover Commis-

sion in its report on General Services, which suggested that the National Capital Park and Planning Commission, the National Capital Housing Authority and the Commission of Fine Arts should report to the General Services Administrator. It is Mr. Ihlder's contention that the only purpose of this recommendation was that those agencies should report to some responsible part of the executive branch, and expressed concern lest there be costly breakage of the essential day-to-day direct official contacts between the Authority and the Public Housing Administration, Department of Justice, National Capital Park and Planning Commission, the District of Columbia government, and other public agencies with which the Authority has a continuing working relationship.

Mr. Ihlder countered with an alternative suggestion for the establishment of an Office for the National Capital on the staff of the President, for the purpose of reporting and coordination, which Office would perform a most useful function, and would give recognition to the fact that the District of Columbia is a major responsibility of the Federal Government.

The Authority is in general accord with the recommendations contained in the Hoover Commission Reports on General Management of the Executive Branch, but points out that it is limited to a localized operation, reflecting the joint concern and responsibility of the Federal Government and local public agencies in the development of the National Capital, and that, therefore, most of the specific recommendations would have little effect on the agency.

Mr. Ihlder also comments favorably on the recommendations relating to Personnel Management, and points out that the ratio of personnel management to total employees in the Authority is much less than the average indicated in the Hoover Commission report, the Authority having only 1 personnel worker for every 102 employees.

In concluding his report, the executive officer of the National Capital Housing Authority approves the joint cooperative study now under way by the General Accounting Office, the Treasury Department, and the Bureau of the Budget, with a view to effecting budgeting and accounting reforms.

The letter from the Executive Officer of the National Capital Housing Authority follows:

NATIONAL CAPITAL HOUSING AUTHORITY,
Washington, D. C.
Hon. JOHN L. McCLELLAN,
Chairman, Committee on Expenditures
in the Executive Departments,
United States Senate,
Washington, D. C.

SIR: This Authority is appreciative of the opportunity given by you to comment on the reports and recommendations of the Commission on Organization of the Executive Branch of the Government. The excellent digest and index which were prepared for the use of your committee, and which you enclosed with your letter, facilitate reference and have been utilized in connection with the comments which follow.

Comments on the several reports of the Commission in which this agency has a direct or indirect official interest follow:

1. GENERAL MANAGEMENT OF THE EXECUTIVE BRANCH

The Authority is in general accord with the recommendation that steps be taken to assure creation and maintenance of clear lines of authority among the agencies of the executive branch, through the various means suggested by the Commission.

In this connection, the Authority would point out that, while technically (and legally) an agency of the Federal Government, it operates only within the National Capital region, and so is distinguished from Federal agencies of national scope. Further, the work of the Authority under exist-

ing law must be implemented by various types of contracts with the Public Housing Administration and with the Government of the District of Columbia, while maintaining its autonomous status in essentially the same fashion as local public housing authorities in other communities throughout the United States.

The Authority has no comment on the report's recommendations 1 to 11, affecting the organization of the Executive Office of the President. Recommendations 12 to 19 deal with agencies of national scope, as contrasted with localized agencies such as this Authority, which must be evaluated in terms of necessary autonomy unless it is to become merely an instrumentality for demonstrating a Federal program.

The present organization of the Authority reflects the joint concern and responsibility of the Federal Government and of local public agencies in the development of the National Capital. The Authority's policies are determined by its board of Federal and District officials who are appointed (ex officio) by the President; responsibility for carrying into effect approved policies and programs vests in the Authority's executive officer, to whom all staff officers report, and who is responsible, within the United States Civil Service Act and rules, for the selection and appointment of major staff members. It is therefore evident that the Authority is giving practical effect to the Commission's recommendations 19 and 20.

The Authority also has adopted the standard nomenclature proposed in recommendation No. 21, so far as it applies; i. e., division, section, unit.

No comment is offered on recommendations 22 to 27, concerned with Federal field services.

2. PERSONNEL MANAGEMENT

The Authority is in general agreement with the recommendations in this report, while recognizing the necessity for clarification suggested by Commissioner Pollock (p. 47, et seq.).

This agreement bears with particular emphasis on recommendation No. 2 (centralization of recruiting and examining among employing agencies), recommendation No. 22 (abolition of the present cumbersome and unrealistic system of efficiency ratings) and recommendation No. 24 (procedure for discharge of incompetent employees).

The report refers (p. 6) to overstaffing of Federal personnel offices, and cites one agency in which the ratio of personnel workers to total employees is 1 to 38, while the average is given as 1 to 78. The personnel operations involved in the computation of these ratios do not include pay-roll processing, leave bookkeeping, or maintenance of retirement deduction records.

As an item of information, the Personnel Section of this Authority has four employees, but at least one man-year is occupied by pay rolls, leave records, and retirement records. As the present total employment of the Authority is 308, the Authority has 1 personnel worker for 102 employees.

3. OFFICE OF GENERAL SERVICES

A proposal made by the Commission in connection with its recommended establishment of an Office of General Services was of particular interest to this Authority. This proposal was contained in its recommendation No. 9, which stated that the National Capital Park and Planning Commission, the National Capital Housing Authority, and the Commission of Fine Arts should report to the Director of the Office of General Services. The only reason given for the recommendation was that "these agencies should report to some responsible part of the executive branch."

(This recommendation, as affecting this Authority, was rescinded in a subsequent report of the Commission.)

In connection with this suggestion (and with the Commission's later proposal), the Authority is concerned lest there be a costly breakage of the essential day-to-day direct official contacts between the Authority and the Public Housing Administration, Department of Justice, National Capital Park and Planning Commission, the District of Columbia government, and other public agencies with which the Authority has a continuing working relationship.

The Commission's strictures against the time-consuming, expensive, and confusing practice of "channeling" for channeling's own sake would seem to deny that the Commission would recommend that such contacts by the Authority be made through another agency. The recommendation would seem to contravene the Commission's repeated urgings in favor of organizational simplification, clear lines of responsibility, direct action to the fullest extent feasible.

(In the Commission's subsequent report on Federal Business Enterprises the Commission withdrew the above proposal in favor of a recommendation that the Authority be placed under the Commissioners of the District of Columbia. The proposal gives no intimation of current congressional recommendations, resulting from extensive study, that the Authority be continued as an independent agency of the Federal Government.)

The Authority would suggest as an alternative the establishment of an Office for the National Capital on the staff of the President for the purpose of reporting and coordination. Such an office could perform a most useful function and would give recognition to the fact that the District of Columbia is a major responsibility of the Federal Government.

4. SUPPLY ACTIVITIES

The Commission has provided a valuable service of critical analysis in its report on this subject—particularly in the section entitled "What is Wrong With Federal Supply Operations," which identifies the defects in the present system.

It is assumed that acceptance and implementation of Recommendation No. 5 would result in the centralization of procurement for items in general use, while the purchase of supplies and services peculiar to individual agencies would be made the responsibility of these agencies. Such an arrangement would be of material benefit to this Authority, as its Purchasing Section is required to buy a great variety of household equipment and household repair parts for the maintenance of housing under the management of this agency.

The Authority also would welcome inauguration of standard procedures in property identification and property utilization, as outlined in the report.

5. BUDGETING AND ACCOUNTING

The Authority feels that no comment on this report is indicated at this time. The Vice Chairman of the Commission calls attention to a joint cooperative study of these subjects by the General Accounting Office, the Treasury Department, and the Bureau of the Budget. It would seem advisable to await the outcome of this joint effort.

Respectfully,

JOHN IHLDER,
Executive Officer.

THE LATE ASSOCIATE JUSTICE FRANK MURPHY

Mr. LANGER. Mr. President, I ask unanimous consent to have printed in the body of the RECORD an editorial relating to the late Associate Justice Frank Murphy, published in the Leader, of Bismarck, N. Dak., under date of August 11, 1949.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

THE PRICE OF PUBLIC SERVICE

News dispatches this week reported that the late United States Supreme Court Justice Frank Murphy had left an estate in Washington amounting to \$2,100—and that \$1,600 of that sum is due the Washington Hotel, where he made his home.

That report shows in a striking way the price of being a public servant in America.

Justice Murphy was a man who served his country well. He was a fighter for justice, a man who had a deep and abiding hatred for wrong and oppression, and a man of remarkable tolerance and wisdom.

All of those unusual talents he gave to the service of his country, for a rather meager salary, as you can tell from the report of the estate he left.

He could have made far larger sums by offering his great talent and ability to some private legal firm or some big corporation.

Lots of other gifted men have done that very thing. But Justice Murphy was not built that way. He preferred to serve where he thought his services would do the most good—without considering the financial returns involved.

There are undoubtedly a lot of \$100,000-a-year Wall Street corporation lawyers who will sneer at Justice Murphy as a "chump" for doing what he did, instead of "making his pile" like the rest of their gang.

But the common people of America won't feel that way. The Leader is certain that the people, like this newspaper, will salute the late Justice for his conduct. He leaves something behind him in the world besides money—the admiration and respect and gratitude of his Nation.

And you can't buy that with any sum of money.

THE HAWAIIAN STRIKE SITUATION— LETTER FROM MANUEL R. GOEAS AND EDITORIAL FROM DEMILLE FOUNDATION BULLETIN

Mr. BUTLER. Mr. President, I seldom present for the RECORD letters I have received, but I am doing so now for I think this one is of special interest and value. It comes from a man who was born in Hawaii, has lived and worked there till now he has reached the age of retirement, and writes me in some detail of his views of conditions in Hawaii. His father came from Portugal to Hawaii and like so many from that country, he became an American citizen. His son, who wrote this letter, appears to appreciate the value of American citizenship. I think by reading his letter Members of Congress can better appreciate conditions prevailing in Hawaii.

I ask unanimous consent to have it printed in the body of the RECORD.

Mr. President, I also ask unanimous consent to have printed immediately following these brief remarks a short editorial appearing in the July issue of the DeMille Foundation Bulletin.

There being no objection, the letter and editorial were ordered to be printed in the RECORD, as follows:

HONOLULU, July 30, 1949.

Hon. Senator H. BUTLER,
Washington.

DEAR SIR: Greetings from isolated Hawaii. You have seen Hawaii, and you know the lay of the land.

You know that sugar and pineapples are the industries which make Hawaii. If these industries are wrecked by the unions, then Congress should give Hawaii to China, Japan, or Russia.

This stevedore strike is not a small incident. There is more than wages back of the union demand. This is a strike to gain more power for the few dictators—H. Bridges, J. Hall, Schmidt, and a few others. Our people are having a hard time trying to live on what they earn. Freight rates, as you know, are high, because the wages of seamen are high. I believe in unions, but I believe they are carrying things too far. I must admit there are two standards of pay in Hawaii. The stevedores are earning \$1.40 per hour. They were offered 8, then 12, then 14 cents per hour; 8 times \$1.54 equals \$12.32 per day. Those men can surely live on this wage per day.

I worked for one of the so-called Big Five for 43 years, the American Factors. I retired at the age of 60. My salary was \$360 per month. My bonus averaged \$70 per month, or \$430 per month. I did cost accounting. I worked hard. I saved my money. I do not own an automobile. I own my home, but I had to give up a lot of pleasures, or, as most people call it, good times. I own stock or shares in the American Factors, Kekaha & Co., Olaa & Co., Waiialua & Co., Halemano Co., Hawaiian Comm. & Co., Matson Navigation Co., and American President Lines. I own these because I worked and saved my money. I invested so that I could get some income in my old age. There are no Big Five families any more. The Big Five are shareholders like myself and other small people. Those so-called Big Five are just running the big business that is supporting we, the people. If Congress allows the unions to become very powerful, then what is to prevent John Lewis or Harry Bridges from marching on Washington and demanding more than Congress can give them without hurting the people in general.

When a business becomes a monopoly the Federal Government breaks it up. Why can't Congress pass laws that will permit unions to operate in the individual States and Territories, but deny them the right to amalgamate with unions in other States and make people other than those they are striking against suffer, or to bring other unions to increase pressure. These unions are more than monopolies; they are becoming international unions. We all know how much jealousy there is in this world, how some countries would like to bring on chaos in the United States. Many of our so-called Americans would like to help other countries wreck ours.

If the unions keep on demanding higher wages on the sugar plantations, I figure that the sugar and pineapple industries will be wrecked in from 10 to 15 years, then our people will not be able to make a living and the United States Government will lose millions in taxes.

It is true that stevedores on the west coast earn more money but they work less days than Hawaii's stevedores.

This stevedores' strike has forced many people to lose their jobs, about 30,000 people are out of work on that account. Wages have been cut and many small commission merchants have gone out of business.

I shall not attempt to write about communism. If there are Communists here they have come from continental United States.

This was God's country until the unions began demanding more and more money.

The union leaders are threatening to bring pressure on the west coast if they do not gain what they are after here.

What I believe will happen in 25 or 30 years is that a John Lewis or his successor or H. Bridges or his successor, will march on Washington, kick out the President, tell the Congressmen to go home, become a dictator, and punish the Congressmen who voted in favor of legislation against the unions.

Please do not consider this a joke, you Congressmen just give the union leaders

more power and then you and I will be at their mercy.

Last year a friend traveled on a Portuguese steamer in the Atlantic near Portugal. The Portuguese captain said "In a few years there will not be many American ships sailing the ocean carrying on foreign cargo because they pay too high wages to the seamen."

Before the stevedores voted on the 14-cent wage increase, they told me they were going to vote against settlement because the leaders told them to do so. What can you do with people who cannot use a little judgment? They voted against it even though their families were suffering.

Other men have been unloading the ships, and they are glad to earn \$1.40 per hour; they are glad to be given the opportunity to work.

May I inform you that many people have left Hawaii, and others will follow who will make their homes on the mainland United States.

I, too, am thinking seriously of selling out and going to the mainland, and possibly to Brazil for a while. I am retired and free to express my opinion on this matter, so please do not think I am influenced by anyone. Even when I was employed by one of the so-called Big Five I was never afraid to say what I wanted.

I shall be pleased to hear that you will do all you can to curb the powers of the unions and business monopolies for the good of the people of America.

My father, an engineer, came here 66 years ago; he became a United States citizen; he helped build up this community; he and I did construction work. I too learned construction work and architecture. All this work was done many years ago. I managed the construction company while employed at American Factors. I speak French, Portuguese, Spanish, and some Italian. My father came from Portugal yet he put his heart and soul in America.

I believe Hawaii is not yet ready for statehood. Harry Bridges will be tried for perjury, and I believe the local employers were right in refusing to deal with him.

Something should be done to save Hawaii's economy. I cannot believe that you and the other Congressmen will permit the unions to paralyze and wreck what we have built.

May God bless you and aid and guide you in your work for the people of America.

Respectfully yours,

MANUEL R. GOEAS.

[From the DeMille Foundation Bulletin]
THE PATTERN TAKES SHAPE

May 11, 1948, Mr. deMille said to the House Labor Committee:

"Today, in those (Hawaiian) islands, the whole labor movement is controlled by one union. That same union controls shipping on the west coast. Its leader has lately united in one international union the sugar workers of the United States, Hawaii, Cuba, Puerto Rico, and the Dominican Republic. The policies of this union, in some respects at least, are sometimes hard to distinguish from those of the Communist Party line. The pattern takes shape. Control shipping, control raw materials, control men through control of their right to work, and you can soon control a nation."

June 28, 1949, the Honolulu Advertiser said:

"The people of Hawaii—450,000 loyal American citizens living in an organized Territory of the United States—are being held in bondage today by Harry Bridges' International Longshoremen's and Warehousemen's Union (CIO). This union is declared by Philip Murray, CIO president, United States Senator HUGH BUTLER, and many others to be Communist dominated. * * * Babies are short of canned milk, food supplies for adults lack many essential items; * * * 42 stores are completely out of stock, 19 have gone out of business. * * * Sugar mills

have had to shut down. * * * More than 20,000 persons are jobless. * * * The people of Hawaii are in dire distress."

The DeMille Foundation does not attempt to decide whether Harry Bridges' strikers are entitled to a raise in wages or not. Even if their claim is just, no man or group of men should have power to blockade a half million Americans—or even one—in need of food.

PROGRAM OF THE COMMITTEE ON FINANCE

Mr. GEORGE. Mr. President, if I may be indulged for two or three minutes, I wish to make a statement.

The House Ways and Means Committee has not yet reported to the House the amendments to the Social Security Act. It is obvious that the social security bill could not reach the Senate until the latter part of this month, or perhaps the middle of next month. It will therefore be entirely out of the question to undertake to hold hearings on social security at this session, assuming that Congress will adjourn by the end of September.

The Finance Committee will begin hearings this week upon two important veterans' bills which have passed the House, and those hearings will be concluded. Thereafter it is the purpose of the Finance Committee, if the majority of the committee agree, not to open hearings on any other contested matter at this session of the Congress. It is perfectly obvious that if we continue to grind out wholesale legislation for the calendar we shall never reach a point where we can look for adjournment of this session of the Congress.

PROGRAM FOR CONSIDERATION OF REORGANIZATION PLANS NOS. 1 AND 2

Mr. LUCAS. Mr. President, I wish to advise the Senate with respect to the program for tomorrow. This is a mere reiteration of what I said last week. There may be some Senators present who were not present last week when I advised the Senate that tomorrow we expect to call up Senate Resolution 147, reported by the Senator from Arkansas [Mr. FULBRIGHT] and other Senators. It is a resolution disapproving Reorganization Plan No. 1 of 1949. Under the law, 10 hours of debate are permitted on that measure, but I am hoping that some time today we can reach some sort of an agreement whereby we can have a limitation of debate. If we cannot, we shall probably begin tomorrow's session at 11 o'clock and remain in session continuously for a period of 10 hours, with the possible exception of an hour for dinner tomorrow evening, so that we may complete consideration of Reorganization Plan No. 1.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. If we are able to reach some understanding with reference to limiting debate, and save some time, would the Senator then consider a unanimous-consent request that after all debate is concluded we take a recess and not have a vote until Wednesday afternoon, say at 12:15?

Mr. LUCAS. I cannot say that I will enter into that kind of an agreement at this time, Mr. President. We have for consideration both Reorganization Plan

No. 1 and Reorganization Plan No. 2. I had hoped that we might conclude consideration of both of them tomorrow. If we cannot do that, we shall have to take them one at a time, Reorganization Plan No. 1 tomorrow, and Reorganization Plan No. 2 the next day. I cannot agree to any unanimous-consent request of that kind at this time.

Mr. McCLELLAN. Mr. President, this is a matter of some importance. Senators would like to be recorded on this question one way or the other. Some have made arrangements to be away tomorrow. If the vote is taken tomorrow night, it is possible that one or two Senators will not be here, whereas they would be here if the vote were taken at 12 o'clock the next day. Out of deference to their situation, I feel that there would not actually be a loss of time greater than that involved in calling the roll.

Mr. LUCAS. That may be true with respect to two Senators; but every time we attempt to accommodate two Senators on a particular day, there are two other Senators who would like to be accommodated on the following day. We can never find a time when all Senators will be present. This situation arises every time we attempt to get a unanimous-consent agreement to vote upon a measure at a certain hour. There is always some Senator who comes to the majority leader and says, "Can you not postpone the vote, because Senator So-and-so is out of town on important business? If you can only put the vote off until tomorrow, he will be back." If we put it off until tomorrow, we find that another Senator has made arrangements to make a speech on that day, and he will be absent. So we can never find a time when it is possible to accommodate all Senators.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. TAFT. I wonder if possibly we could obtain an agreement. I think perhaps Senators on this side of the aisle who are interested in supporting the resolution would be agreeable to a 6-hour limitation of debate on Tuesday, and a vote on Wednesday. In that event we would not be forced into a night session.

Mr. LUCAS. Some Senators who want to vote on Tuesday will probably be absent on Wednesday.

Mr. TAFT. I know of none.

Mr. LUCAS. I know of one Senator on our side of the aisle who was discussing that very question with me before the session began today. The point I am trying to make is that we never can find a time which satisfies every Senator. If we agree to vote on Wednesday, we may preclude the vote of some Senator who is either favorable or unfavorable to the plan; and if we vote on Tuesday, we find the same situation. I thought I had given ample notice almost a week ago for all Senators to be here on Tuesday.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. McCLELLAN. The Senator did say that we would take up the resolution on Tuesday; but there being 10 hours' debate, no Senator had any

noticed at that time that we would drive through in a night session to a final vote.

Mr. LUCAS. I have read the RECORD, and the colloquy which I had with the able Senator from New York [Mr. IVES] definitely indicates that if we could not get a limitation of time we would have a night session.

Mr. IVES. Mr. President, will the Senator yield?

Mr. LUCAS. I yield.

Mr. IVES. Realizing the situation as I do, I suggest to the able Senator from Illinois that he allow the debate on these two plans to proceed, one plan after the other, and then have the vote at the end of the debate on the two plans. That would adequately cover the debate, and allow the vote to be taken at a time when presumably absentees who are apparently going to be necessarily absent, will be present.

Mr. LUCAS. That is a suggestion which I will take under consideration.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, after line 9.

Mr. THOMAS of Oklahoma. Mr. President, I hope the Senate will not assume that I am going to take an undue length of time upon the pending amendment. There are three amendments to which I wish to address myself, namely, the one now pending, the one which will follow it, and the one which will follow the second amendment. I desire to discuss the three amendments together. I shall take only sufficient time to make clear the position of the committee.

I first call attention to some charts and maps which I have had placed on display in the front of the Chamber. The first is a map of the United States showing the number of Authorities that already are in existence, and others that are contemplated. In the northeastern section of the United States an Authority is contemplated, to be developed as soon as the St. Lawrence River improvement has been made.

In the south-central part of the United States we already have the Tennessee Valley Authority, located at the point I now indicate on the map, east of the Mississippi River and south of the Ohio River. That already is in existence.

Then, east of the Mississippi River and south of the Ohio River, all that territory is proposed by the pending amendment to form the Southeastern Power Administration or Southeastern Power Authority. It includes all the land east of the Mississippi River and all the land south of the Ohio River in the United States. If created, it will surround the Tennessee Valley Authority. So, if that Authority is created, covering the entire southeastern area of the United States, we shall have in the center of that Authority the TVA.

Mr. HILL. Mr. President, will the Senator yield at this point?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. HILL. Is it not true that the Southeastern Power Authority, so-called, is entirely different from the TVA?

Mr. THOMAS of Oklahoma. Senators may assume that and argue that; but when the arguments have been concluded, I think the Senate will understand that there is no difference whatever; they are one and the same, in effect.

Mr. HILL. Mr. President, will the Senator yield further?

Mr. THOMAS of Oklahoma. I yield.

Mr. HILL. I do not wish to interrupt the Senator's speech; but if he will permit me to do so, I wish to take very sharp issue with him on the last statement he has made. They are entirely different, I am sure.

Mr. THOMAS of Oklahoma. Mr. President, the Senator will have his opportunity on the floor to answer my remarks.

Beginning at the Mississippi River and going west, embracing the States of Louisiana, Arkansas, a part of Missouri, a part of Kansas, practically all of Oklahoma, and practically all of Texas, is the area now covered into what is known as the Southwestern Power Administration. All the territory within the red lines, as now marked on the map, is embraced in the Southwestern Power Administration, or SPA. That covers my State of Oklahoma, and that is why I am somewhat interested in this developing program.

Then, going north from the Southwestern Power Administration, we find the Missouri Valley Authority in the making. I am not sure what will be developed in time, but bills proposing the creation of the Missouri Valley Authority have been introduced.

In the center of the Missouri Valley Authority, which may be created, we find the State of Nebraska, which is an Authority by itself. There are no private power companies, to speak of, in the State of Nebraska; the power companies in that area have been taken over by the State. So in the center of the Missouri Valley Authority territory there is the State of Nebraska with its own private Authority.

Then, going to the far Northwest, to the States of Oregon and Washington, in that territory we have the Columbia Valley Authority. That is known legally as the Bonneville Administration. It embraces the power dams which have been constructed on the great Columbia River and other dams which have been built and other dams which are being built in that section of the United States.

South of the Columbia Valley Authority we have embraced in the State of California what is known as the Central Valley. That will be discussed at a later point in connection with this bill, but not in connection with my remarks.

I have indicated what we have confronting us today in the way of a developing electric empire covering the points where we are developing hydroelectric power.

At this time I wish to call attention to some statements printed on the chart.

Secretary J. C. Krug, in his 1948 annual report, at page 51, said:

We need to develop within the next 20 years at least 40,000,000 kilowatts. The Federal Government probably will need to build at least 30,000,000 of those kilowatts, at a cost of \$12,000,000,000 to \$15,000,000,000.

Mr. President, there is the outline. Those are the Authorities and those are the areas where the \$12,000,000,000 to \$15,000,000,000 is proposed to be expended.

Coming down to my particular section of the country, I exhibit to the Senate a map of the State of Oklahoma. In my State there are many thousands of miles of existing electric lines. There are some 47 steam plants in my State of Oklahoma. A number of hydroelectric projects are now being constructed in my State. My State is almost in the center of the Southwestern Power Administration.

The map I now exhibit to the Senate shows in black the existing power lines in Oklahoma. The lines shown in red indicate the ones which are proposed to be built by the Federal Government to distribute the hydroelectric power which has been developed and is being developed in my State.

The third map is a map of Oklahoma and Arkansas, showing the lines which have been built to date by the Government and the lines which are to be completed with the money carried in this bill.

We have one large, major power plant at Denison, which is on the boundary line between Oklahoma and Texas. It has a large lake, called Lake Texoma. The dam is called the Denison Dam, and it produces or will produce a sizable amount of power. It is the only dam in my State now producing power.

In northeastern Arkansas, 500 miles away, there is in production another hydroelectric plant known as Norfork. That plant and the Denison plant are producing power. In past years the Congress has appropriated money for the building of a line from Denison 500 miles to Norfork. The line is practically completed. During the war the necessary materials could not be obtained, so construction was delayed. Now the material is on hand; and by December of this year that line, so I am advised, will have been completed. That is a major, backbone transmission line; and this bill contains money for the completion of that line, and the committee recommends that it be completed.

In addition to recommending that this line, connecting these two major dams, be completed, the committee is recommending the appropriation of money for the building of a line from the main, backbone line in eastern Oklahoma up to what is known as the Fort Gibson Dam, which is a large flood-control project. It is not yet completed, and will not be completed until about 1953. So the committee is recommending money for the purpose of building a connecting line with this main backbone line up to Fort Gibson, at a point near Muskogee, Okla.

Secondly, the committee recommends the appropriation of money to connect this main backbone line with what is known as the Tenkiller Ferry. That is

another hydroelectric project in my State of Oklahoma. So, if the bill as finally passed carries the money which the committee recommend, we shall have this main line completed, and we shall then have a line from main line to Fort Gibson, another line from the main line to Tenkiller Ferry.

In Arkansas, the committee recommends that a line be built from Norfolk to Bull Shoals. Bull Shoals is a very large hydroelectric power plant, which will not be completed for two or three years. We plan to have these lines built, with the connecting lines long before the dams come into production. So if the committee recommendations are accepted by the Senate and by the Congress and are approved by the President, we shall have, just as soon as the money can be expended and the work completed, a complete connection with the only two dams we now have, and a complete connection with the only three dams which will come into production within the next 5 years. The committee is of the impression that that is making progress rather rapidly.

Before we begin on another line, I desire to call attention to a few charts. The first chart shows the requests for expenditures already made to the Congress, and requests which are still pending before the Congress. The items are in millions of dollars.

For foreign relief, the request was for \$6,709,000,000; for national defense, \$14,268,000,000; for veterans, \$5,496,000,000; for social welfare, \$2,358,000,000; for housing, \$388,000,000; for education and research, \$414,000,000; for agriculture, \$1,662,000,000; for natural resources, \$1,861,000,000; for transportation and communication, \$1,586,000,000; for finance, commerce, and industry, \$108,000,000; for labor, \$187,000,000; for general government, \$1,224,000,000; for interest on the public debt, \$5,450,000,000; and for contingencies, \$150,000,000; making a grand total, if the requests are complied with, of \$41,858,000,000. I may say that since the chart was prepared, additional requests have come in bringing the total to more than \$42,000,000,000.

Mr. KEM. Mr. President, will the Senator yield for a question?

The VICE PRESIDENT. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. KEM. I should like to ask the Senator whether there is any request or any arrangement for payment of any part of the principal of the national debt?

Mr. THOMAS of Oklahoma. We of course hope to pay something on the national debt. The second chart will answer that question. The second chart is marked "United States, fiscal." The figures are in millions of dollars. The facts are, Mr. President, that since 1931, there have only been 2 years in which the Federal budget has been balanced. We balanced the budget in 1930. We did that on tax collections of about \$2,000,000,000. We did not spend much money in 1930. The depression was on. Later, the expenses began to climb, but the rev-

enue did not decrease very much. I shall explain the chart briefly.

In 1932, the total receipts of the Federal Government were only \$2,005,000,000. The expenditures that year were \$4,741,000,000, causing a deficit of \$2,736,000,000. In 1940, 8 years thereafter, the war was just breaking. We were spending liberally. The revenues that year were only \$5,387,000,000; expenditures, \$9,305,000,000; a deficit of \$3,918,000,000. At that time the gross debt had climbed to \$43,000,000,000. At the end of World War I, we had a total debt of about \$26,000,000,000. We had large quantities of goods on hand which were sold and the proceeds applied to the reduction of the national debt resulting from the war. During the years from 1918, after the conclusion of World War I, until 1926, we had fairly good times. The people were fairly prosperous, and, by applying the proceeds of the sales of war property, and by levying rather heavy taxes, we were able to pay on the national debt the sum of about \$1,000,000,000 a year. From 1918 until 1926 we reduced the national debt from \$26,000,000,000 to about \$16,000,000,000. Later, because of conditions, the debt began to increase. The depression increased it somewhat. When the war came on, of course, the debt began to mount. In 1940, just after the World War struck America, we owed \$43,000,000,000. In 1941 we owed \$72,400,000,000. In 1942, the year in which we entered the war actively, the total receipts amounted to \$12,799,000,000. The total expenditures were \$34,289,000,000. That caused a deficit of \$21,490,000,000, and, as I said, the debt jumped to \$72,400,000,000. In 1944, receipts were \$44,148,000,000, and expenditures were \$95,572,000,000, causing a deficit of \$51,424,000,000, in turn causing the national debt to rise to the sum of \$201,000,000,000.

Mr. KERR. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the senior Senator from Oklahoma yield to the junior Senator from Oklahoma?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. KERR. Did the deficit in 1944, amounting to \$51,424,000,000, increase the national debt from \$72,400,000,000 to \$201,000,000,000?

Mr. THOMAS of Oklahoma. A period of 2 years is involved. I do not show 1941. I skipped from 1940 to 1942, and I then skipped from 1942 to 1944. I do not show the figures for 1943, because I did not want to include too much detail to be explained to the Senate. In 1945, the next year, the receipts were \$46,456,000,000; expenditures, \$100,397,000,000; causing a deficit for that year of \$53,941,000,000, increasing the public debt to \$258,700,000,000. In 1946 the total receipts were \$43,037,000,000; expenditures, \$63,713,000,000; resulting in a deficit of \$20,676,000,000, and increasing the public debt to \$269,400,000,000. In 1947, when the war was over, the receipts were still \$43,258,000,000; expenditures, \$42,505,000,000. At the end of the year we had the first balanced budget since 1931, and the balance in the Treasury at the end of that year was \$753,000,000. But the

debt fell somewhat. It fell to \$258,300,000,000.

Last year, 1948, receipts were still high. We collected \$42,200,000,000. We spent \$32,700,000,000. That left a balance of \$8,500,000,000 in the Treasury. That was the second year in which this country has had a balanced budget since 1931.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield. Mr. LUCAS. May I inquire where the Senator obtained these figures?

Mr. THOMAS of Oklahoma. I obtained them from the Secretary of the Treasury. If the Senator can give me a better authority I should like to have it.

Mr. LUCAS. No. I was anxious to know. I thought the expenditures were greater than \$33,000,000,000, and that is the reason I made the inquiry.

Mr. THOMAS of Oklahoma. I am sure the Senator understands why that was. Three billion dollars of that money was taken, by some legerdemain or juggling, and was used in some manner so that the official figures, after \$3,000,000,000 was taken out, left only approximately \$5,000,000,000 as surplus. At the end of the year we still had a debt of \$252,300,000,000.

The next figures are estimated. It is estimated that we shall collect in 1949 approximately \$40,000,000,000. We shall expend \$42,259,000,000. The estimate was that on the 1st day of July of this year there was a deficit of \$1,811,000,000, and we still had a national debt of \$252,300,000,000.

Mr. LUCAS. Mr. President, will the Senator further yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. LUCAS. We now have a deficit of \$1,811,000,000, and yet we increased the national debt only \$66,000,000.

Mr. THOMAS of Oklahoma. That figure will be explained in a moment, and it will be corrected.

For 1950 the best estimate I could obtain was that we hope to collect \$40,955,000,000, and we hope to keep our expenditures down to \$41,853,000,000.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. CAPEHART. There must be some mistake, because the receipts in 1949 were only \$40,448,000,000. We anticipated collecting \$40,985,000,000. I do not believe anyone believes we shall collect as much money in taxes as we did up to June 30, 1948.

Mr. THOMAS of Oklahoma. Of course these are estimates. Times will tell. The figures are reasonably correct.

Mr. CAPEHART. In my opinion, the amount will be no more than \$35,000,000,000 rather than \$40,985,000,000. I appreciate the fact that the Senator got his figures from the Treasury Department.

Mr. THOMAS of Oklahoma. I got them from the Treasury Department and from other data which I think are the best available. If these figures are approximately correct, at the end of the fiscal year 1950 we will be in debt for the year in the sum of \$868,000,000, and that will still leave a national debt of \$252,000,000,000. Since these figures were secured the national debt has climbed

\$2,000,000,000, and that figure, Mr. President, should be increased from \$252,-000,000,000 to \$254,000,000,000.

I shall come to the charts and maps a little later.

We are about to consider, Mr. President, some amendments to the pending bill which, in my opinion, may affect materially the future of our people and the future of our Government.

Mr. DONNELL. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. GILLETTE in the chair). Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. Certainly.

Mr. DONNELL. I was called out of the Chamber a few minutes ago, and I had been following with much interest the Senator's statement with respect to the charts. I am wondering whether he put them into the RECORD in that form?

Mr. THOMAS of Oklahoma. At a later time I shall ask permission to put the wording and the figures of these two center charts in the RECORD in connection with my remarks. I cannot put into the RECORD the maps showing the power projects which are already developed or are being developed, and of course I cannot put into the RECORD the maps of the showing the power lines already existent and the power lines requested. I cannot put into the RECORD the maps of the States of Oklahoma and Arkansas showing the lines being constructed and the lines to be constructed if the committee recommendations are agreed to.

Mr. DONNELL. The charts to which I am referring, and which I am pleased to know will be placed in the RECORD, are those entitled "1950" and "U. S. Fiscal."

Mr. THOMAS of Oklahoma. At the close of my remarks I shall ask permission to insert them in the RECORD.

Mr. President, under the guidance of the Constitution, we have traveled the road of rugged individualism and free enterprise for a period of 160 years and today we have arrived at the forks of the road.

One road continues on toward greater freedom, greater prosperity, and a more influential place among the family of nations, and the other road leads off toward regimentation, a loss of national income, a loss of tax resources, and a loss of the leadership of the free peoples of the world.

The question now before us is, Which road shall we take?

The issue on its face involves only a few million dollars, but our action on the few millions involved will determine the choice of the road we shall take tomorrow.

Mr. President, it is altogether fitting and proper that this issue should be considered and decided in this historic room—the oval, half-circular chamber designed and constructed by our fathers for the deliberations and actions of the Senate of the United States.

This—to Americans—ancient Senate Chamber was dedicated to the public service in the year of 1800 and thereafter remained the free forum of the American Government until the year of 1860, when, because of expanded membership, this

free forum of necessity was transferred to a larger chamber in the Capitol Building of our Government.

Within these classic walls such patriotic and able giants as Henry Clay, James Buchanan, Thomas H. Benton, Franklin Pierce, John C. Calhoun, and Daniel Webster debated, considered, and decided the early problems which confronted the new democratic Republic.

From 1860 to 1935 this room was the temple of justice of the Supreme Court of the United States.

Today as we debate, consider, and decide the multitude of issues—local, national, and international—which constantly arise before us, we have as our gallery the marble busts of some of the great jurists of the past.

For the record let me call the roll of these distinguished Americans. To my right is Morrison R. Waite, who served as Chief Justice of the United States from 1874 to 1888.

Next is Roger B. Taney, the fifth Chief Justice of the United States.

Then Oliver Ellsworth, the third Chief Justice.

Next is John Jay, who holds the honor and distinction of having been the first Chief Justice of the new Western World Government founded in 1789.

Next to John Jay is John Rutledge, the second Chief Justice. Next to Chief Justice Rutledge is John Marshall, the fourth Chief Justice, and in the estimation of many the greatest of them all. Then there is Salmon P. Chase, the sixth to hold the exalted honor. Next is Melville W. Fuller. Last but not least is the former President of the United States, and later Chief Justice, William Howard Taft.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. ELLENDER. I noticed the Senator overlooked one of the most distinguished of all the Chief Justices, namely, Chief Justice Edward D. White, of Louisiana.

Mr. THOMAS of Oklahoma. The Senator is correct. I apologize to the memory of Chief Justice White. I have a chair in my apartment which was used by Chief Justice White. I found it in the basement of this Capitol, dilapidated, discarded. All that was left was the mahogany, the running gears, and the springs. The canvas and leather were entirely gone. The chair had been discarded.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. In a moment. When I first came to Congress, in 1923, investigating around in the basement of this building, I saw this dilapidated chair. I sought the custodian and asked if I might procure it. He said, "Ever so often we clean out the debris, and if we can get enough out of the stuff that is assembled for discarding to pay for hauling it off, we are glad to do so." I asked the custodian to set this chair aside. I took it down to Woodward & Lothrop's and had it gone over. It was put into fine and proper shape. There was nothing wrong with it except that the leather and the canvas were gone, as I have said.

Mr. President, I now have that chair. It has on it a plaque reciting that it was used in the Chamber of the Supreme Court by Chief Justice White, and the chair remained in that Chamber until 1921.

Now I am glad to yield to the Senator from Tennessee.

Mr. McKELLAR. Mr. President, while the Senator was naming the Chief Justices of the United States, it occurred to me that there appear in this Chamber busts of only 10 of them. There were 3 other distinguished men whose busts are not in this Chamber and should be mentioned while we are numbering the Chief Justices of the United States, 13 in all. One was Harlan Fiske Stone, one was Charles Evans Hughes, two of the most able and distinguished of all our Chief Justices and the thirteenth is the present distinguished Chief Justice of the United States, Fred M. Vinson, one of the finest and ablest of Justices.

Mr. THOMAS of Oklahoma. I thank the Senator from Tennessee for his contribution.

Mr. McKELLAR. There have been 13 Chief Justices in all.

Mr. THOMAS of Oklahoma. It is here in this historic Chamber that we are to debate, consider, and decide whether this Nation shall continue on the road of free enterprise, or shall we be diverted to the road of collectivism, which means the initiation of a program for the nationalization of the industries of our Nation.

Mr. President, history records that some of the great conflicts of the past have had their beginning in, at the time, seemingly trivial and unimportant incidents. Such may be the result of the decision of this hour.

Before proceeding to a discussion of the main issue before the Senate, let me call to attention the present fiscal status of our Treasury, and when I refer to "Treasury" I mean to include the treasuries of our States, our cities, our counties, and our districts, because all are inseparably connected with the financial status of our National Government.

At this point I exhibit to the Senate two charts, one showing the group requests for appropriations for the coming year, and I ask permission to have the world and figures shown on chart No. 1 inserted at this point in connection with my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the words and figures of the chart were ordered to be printed in the RECORD, as follows:

CHART NO. 1.—United States fiscal status
(Millions of dollars)

Fiscal year	Receipts	Expenditures	Deficit or surplus	Gross debt
1932.....	2,005	4,741	-2,741	-----
1940.....	5,387	9,305	-3,918	43,000
1942.....	12,799	34,289	-21,490	72,400
1944.....	44,148	95,572	-51,424	201,000
1945.....	46,456	100,397	-53,941	258,700
1946.....	43,037	63,713	-20,676	269,400
1947.....	43,258	42,505	+753	258,300
1948.....	42,200	33,700	+8,500	252,300
1949.....	40,448	42,259	-1,811	252,365
1950 (estimate).....	40,985	41,853	-868	252,000

¹ Plus.

Our national debt is over \$252,000,000,000.

Mr. THOMAS of Oklahoma. Mr. President, in brief, the chart shows that if all the requests for appropriations are met, then the taxpayers of the Nation will be called upon, this year, to pay a total sum of almost \$42,000,000,000 in Federal taxes. But this is not all. In addition to Federal taxes our taxpayers will be called upon to pay an additional sum of some \$17,000,000,000 to meet their State, county, city, and local budgets. When these tax bills are added, we find the consolidated sum to be almost \$60,000,000,000. This \$60,000,000,000 is almost twice the value of all the known monetary gold in the entire world today.

The second chart shows the financial status of our Government during the past 17 years. In only two of the years since 1931 have we had a balanced budget.

I ask permission to show, at this point in my remarks, the words and figures shown on chart No. 2.

The PRESIDING OFFICER. Is there objection?

There being no objection, the words and figures of the chart were ordered to be printed in the RECORD, as follows:

CHART No. 2—1950 estimated expenditures
[In millions]

Foreign relief	\$6,709
National defense	14,268
Veterans	5,496
Social welfare	2,358
Housing	388
Education—research	414
Agriculture	1,662
Natural resources	1,861
Transportation—communication	1,586
Finance, commerce, industry	107
Labor	187
General government	1,224
Interest on public debt	5,450
Contingencies	150
Total	41,858

Mr. THOMAS of Oklahoma. Mr. President, as this debate proceeds I hope Senators will consider and reflect upon the facts as portrayed in the two charts now ordered to be made a part of the permanent records of this Senate.

At this point I wish to refer to another chart now displayed before the Senate. I shall refer to the chart as No. 3.

The wording on this chart is a reproduction of two sentences found on page 51 of the 1948 Annual Report of the Secretary of the Interior. It must be remembered that the Interior Department has supervision over the distribution of power generated at reclamation dams, and also has supervision over the sale of power generated at flood-control dams.

The two sentences are as follows:

We need to develop within the next 20 years at least 40,000,000 kilowatts. The Federal Government probably will need to build at least 30,000,000 of these kilowatts at a cost of 12 to 15 billion dollars.

Here, in brief, is the recommended public-power policy for the United States.

As we proceed I hope at least three facts may be impressed upon the minds of Senators, as follows:

First. Our national debt is today over \$254,000,000,000.

Second. Our current budget contains requests for over \$42,000,000,000; and,

Third. The Secretary of the Interior is recommending that we go into the power business to the extent of from twelve to fifteen billion dollars.

The issue before us at this hour is—Shall we comply with the recommendations made and submitted by the Secretary of the Interior?

Mr. President, this issue has nothing whatever to do with either motives or personalities. I shall seek to present the matter from the standpoint of what I consider to be best for all the people of our great country.

Mr. President, I shall try to make clear the issue or issues in detail which are now before the Senate. The first issue is with respect to the creation of a Southeastern Power Authority. I referred to that and showed its location on the map a few minutes ago. The question involved in the pending amendment is whether or not the Senate will approve the committee recommendation which seeks to strike out the paragraph of the bill beginning in line 10 on page 5. If the paragraph remains in the bill a Southeastern Power Authority will be created and an appropriation will be made in the sum of \$70,000 to start that Authority on its way.

The second issue is with respect to the amount of funds to be appropriated for the Southwestern Power Authority. That is the Authority which is south of Kansas and west of the Mississippi River. It is dealt with in the next amendment which will come before the Senate. The first issue will be whether or not the Senate will approve the House language which, if approved, will create a Southeastern Power Authority or Administration. As I said, the second amendment will deal with the question whether or not the Senate will accept the committee recommendation, which is a reduction of more than \$5,000,000 below the House item suggested for the Southwestern Power Administration.

The third issue is with respect to the creation of a continuing fund or a checking account in the sum of \$300,000 for the Administrator of the said Southwestern Power Authority.

Legislative language is contained in the section which, if approved, will authorize the Administrator to "purchase electric power and energy and rentals for the use of transmission lines and appurtenant facilities of public bodies, cooperatives and privately owned companies."

If the language is approved, then the power of the SPA will be expanded to include not only the sale of electricity, but in addition the Administrator will have the legal right to purchase electricity and to rent transmission lines and steam power generating plants. The Administrator has no such power now. That is legislation in the bill inserted by the other body. If enacted, as stated, the power of the Administrator in the southwestern area of the United States will be vastly expanded.

While these three amendments must be voted on separately, yet they are so closely related that I propose to discuss them together.

As I have said, the first amendment, found on page 5 of the bill, proposes to create a Southeastern Power Authority,

with an initial appropriation in the sum of \$70,000.

The other body of the Congress inserted the provision and the Senate committee recommends that it be stricken from the bill. Later I shall explain why the committee made such a recommendation.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. MAGNUSON. I wonder if the Senator knows whether there was a unanimous report, or what was the division of the vote on the first amendment?

Mr. THOMAS of Oklahoma. Mr. President, the votes in the Senate committee are rarely unanimous. Sometimes they are. But they rarely are. The vote on this amendment was not unanimous.

Mr. MAGNUSON. Does the Senator know how many Senators voted for it?

Mr. THOMAS of Oklahoma. No; I do not have the record.

If the public power program recommended by the committee is approved, then the committee holds and recommends that there is no substantial reason for the creation of a Southeastern Power Authority.

That is, the Authority south of the Ohio River and east of the Mississippi.

However, this section, when reached, will be debated later upon its merits.

Mr. President, because of the importance of the issue that is now before this Senate and, further, because such issue deals, first, with the fundamental principles of the free-enterprise system by and through which our country has become the richest, the strongest, and the most influential Nation of the earth, and, second, because the issue deals with figures, I most respectfully request that I may be permitted to proceed without questions from the floor. However that is not mandatory. I shall be glad to yield if any Senator desires to submit a question.

When I have stated the issue, as I understand it, I shall be glad to yield for questions in order that my position may be made clear.

The issue before the Senate relates to the development and distribution of public power.

The issue is not with respect to legislation but is confined, strictly, to an item of appropriation, yet the issue, in reality, is with respect to what should be the public power policy of the United States.

The pending amendment, on its face, appears to be merely a matter of whether we appropriate the sum of \$3,874,020 or the sum of \$9,000,000 for the construction, operation, and maintenance of power-transmission facilities in six States—Kansas, Missouri, Arkansas, Louisiana, Texas, and Oklahoma—all embraced in the territory allocated to the Southwestern Power Administration.

The other body of the Congress recommended the \$9,000,000 and the Senate Committee on Appropriations has recommended that the House sum be reduced to \$3,874,020.

In other words, the Senate committee recommends that the House item be reduced by the sum of \$5,125,980.

The reduction in this item is recommended along with reductions in other

items in an effort to reduce our total appropriations so as to escape the necessity of having to increase taxes to balance the budget.

The issue raised by the recommended cut has to do with the construction of reclamation and flood-control dams, the development of hydroelectric and steam power, and the building of electric-transmission lines and related facilities.

On this issue I want to make my position clear.

I have been, and am now, in favor of a program for the increased development of hydroelectric power.

I have consistently favored the building of all transmission lines and related facilities which may be necessary to make such power available for the REA cooperatives and Federal and State public bodies.

I have worked to accomplish these two desirable and necessary objectives.

It was my committee that developed and recommended these programs.

In addition, I want the power generated at the public plants made available to the consumers at the lowest possible costs consistent with sound business principles.

Today in the several States covered by the SPA we have the second lowest rates to rural electric cooperatives and governmental bodies in the entire United States.

Only Bonneville affords power at lower rates than the rates announced and approved for the States of Arkansas and Oklahoma. If cheaper rates can be secured, then I want the lower rates.

I am a member of the Cotton Electric Cooperative, operating in southwest Oklahoma. For the first 30 kilowatt-hours of electricity I consume I pay 10 cents per kilowatt-hour. Ten cents per kilowatt-hour means 100 mills per kilowatt-hour, so to a degree I am interested personally in ample power at lower rates.

Mr. President, I came from a rural area. I was not born in a city, or a town, or a village, and not even near a public highway. I first saw the light of day in a wooded area, almost a mile from the nearest public road.

During my early days my knowledge that others lived was by sound of wooden-wheeled wagons slowly traveling over the frozen roads in winter, and by the sight of clouds of dust following those same early-day wagons in the good old summer time.

Mr. President, I know our rural people and I know their way of life. I know of their lack of almost the necessities of existence. I can never forget the early-day lighting systems: The coal oil lamp, the lantern, the candle, the woolen rag in the greasy skillet, and the glowing blaze in the open fireplace.

I know of the early-day roads in Indiana. Uncomfortable in the frozen winter, impassable in the spring thaws, and suffocating in the summer dust.

Because I have been a pioneer in three different States and know the limitations and hardships incident to rural life, I have a definite goal for those who have been and still are deprived of the conveniences of modern-day civilization.

Mr. President, I hope to see the day when every American citizen may have a

modern home equipped with cheap electricity, connected with modern telephone service, and located on an all-weather road leading to church, to school, and to market. To attain such a goal I have striven for over 40 years as a legislator in my State and in the Congress of the United States.

At the beginning of this debate, permit me to state that the matter at issue is much broader than appears on the surface.

This issue—the expansion of the Southwestern Power Administration—has been before the Senate on previous occasions.

If this issue is resolved in favor of the House figures; that is, if the Senate recommendation in the sum of \$3,874,020 is increased to the House figures of \$9,000,000, then the Senate commits itself to a total appropriation of some \$31,000,000 to be made available and expended in the territory embraced in the Southwestern Power Administration within the next 3 years.

In the present condition of our Treasury I contend that we cannot afford to commit ourselves to such a program, especially at a time from 3 to 5 years before we have any additional power to transmit.

But, Mr. President, this is not all that is embraced in the pending amendment.

Let me at this point remind those who have been Members of this body for more than one term that in 1944 the Congress passed legislation, approved December 22, 1944, directing that all hydroelectric power generated at flood-control dams be turned over to the Secretary of the Interior for disposal and sale.

In order that the record may be complete, I ask unanimous consent to place in the RECORD at this point, in connection with my remarks, a copy of section 5 of the 1944 flood-control law, which section is all the legislation now on the statute books with respect to the disposition of the hydro power being developed and to be developed at the various public flood-control dams located and to be located throughout the country.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 5. Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities

as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies. All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts.

Mr. THOMAS of Oklahoma. Soon after this brief section of law was enacted, the Secretary of the Interior prepared and proclaimed an Executive order creating the Southwestern Power Administration. At that time little hydroelectric power was being developed and available for disposal and sale.

Immediately following the enactment of section 5 and the issuance of the Executive order, the Congress appropriated the sum of \$140,000 for salaries and expenses in connection with the administration of SPA.

In the same year the sum of \$135,000 was appropriated in the First Supplemental National Defense Appropriation Act and, in addition, a continuing fund in the form of a checking account was set up in the Treasury for the benefit of the Administrator of the Southwestern Power Administration. How much money has been expended under the so-called "continuing fund" has not been disclosed to the committee.

In 1945 an additional amount in the sum of \$610,000 was appropriated to maintain and support the Interior Department-created SPA.

In 1946 the Congress appropriated an additional \$7,500,000 for the support of the SPA.

In 1947 the Congress appropriated \$215,000 for the support of the Administration.

In 1948 the Congress appropriated \$260,000 for the support of the said administration, and again for the fiscal year 1949 the Congress appropriated a further sum of \$260,000 for the support of this administration.

In all, to date, the Congress has appropriated a total sum of \$8,895,000 for salaries, expenses, and the construction of a transmission line from the Denison Dam, located on the Red River between Oklahoma and Texas, and the Norfork Dam, located some 500 miles away in northeastern Arkansas.

Mr. President, if this Congress appropriates the amount recommended by the committee in the sum of \$3,874,000, when added to the sums heretofore made available the total is some \$12,500,000.

If this appropriation is made in the figures recommended by the committee, thereafter when the money has been expended what will we have to show for the sums appropriated?

All we will have to show for the \$12,500,000 will be a high line from the Denison Dam to the Norfork Dam, branch lines—one to the city of Walters, in the State of Oklahoma, one to the Fort Gibson Dam; one to the Tenkiller Dam, and one to the Bull Shoals Dam with substations.

This transmission line—500 miles in length and related facilities—will have cost the taxpayers over-all, excluding operating expenses, approximately \$25,000 per mile.

In the SPA territory we have over 37,000 miles of electric lines already constructed and in service.

Multiply the number of miles already in existence in these 6 States by the sum of \$25,000, and we find the total to be some \$925,000,000.

If the Government proposes, first, to build its own steam-power plants; second, to duplicate the existing electric lines; and, then, third, to build additional lines as proposed in the Southwestern Power Administration recommendations then the total cost at present prices will run well over \$1,000,000,000.

Obviously this is a part of the over-all program for the nationalizing of electricity and I am unalterably opposed to the nationalization of electricity or any other industry in the United States.

Mr. President, am I justified in my fears that this is the program now being considered by this Congress?

At this point permit me to call the attention of the Senate to what has already happened:

Within less than 2 years after the Southwestern Power Administration was created by Executive order, the Administrator developed and submitted a program for the construction of transmission lines and other facilities for the sale of the hydro power to be developed in the territory allocated to the Southwestern Power Administration.

This program was presented to the Congress in the summer of 1946.

The program presented embraced a network of power-transmission and distributing lines with substations and switching stations covering the States of Oklahoma, Arkansas, and Texas and reaching over into the States of Kansas, Missouri, and Louisiana.

At that time the program was estimated to cost a sum in excess of \$200,000,000. That was in 1946.

With recent increased costs, the same program today would cost in excess of \$350,000,000. It generally is estimated and accepted that labor prices and the prices of material have increased approximately 6 percent in the past 2 or 3 years, and it is on the basis of that increase that I make this statement.

In 1946 the Administrator of the SPA asked the Congress for the sum of \$23,000,000 with which to start construction of the over-all program as outlined and submitted to the Congress; however, after consideration and debate, the Congress allowed only the sum of \$7,500,000 of the \$23,000,000 requested.

Mr. President, at this point I wish to submit for the consideration of the Senate some charts which are authentic. They are small, and I shall have to pass them around among Senators, in order that the charts may be seen clearly. The first chart shows in black the electric lines already in existence in these six States. The lines shown in red are the ones projected by the Southwestern Power Administration in 1946, for which the cost estimate of \$202,000,000 was made. The lines, if now constructed as they are indicated on these plans, would cost an estimated amount of \$350,000,000. I pass this chart among Senators, for their inspection.

Mr. President, I opposed that program in 1946. I have opposed the program since. I am opposed to the program now. I am not opposed to having all our people have an abundance of cheap electricity. I am in favor of that. If it were necessary to build these lines at such an enormous expense, I might take a different viewpoint with respect to this issue. But, as I shall show in a moment, this expenditure is not necessary. Not a single dollar of the money above the amount of money recommended for appropriation by the Senate committee is necessary to be spent, save a small amount for administration.

The requests for money with which to start this ambitious program and the objections to such program began in earnest here in the Congress in the summer of 1946.

Since 1946 the appropriations for the SPA to supervise the sale and distribution of power developed at hydroelectric power dams in the Southwest have been in reasonable amounts, but this year the Administrator of the SPA came before the Congress and asked approval of a program to spend some \$31,000,000 in the building of transmission and distributing lines in the Southwestern States over a period of the next 3 years.

In other words, Mr. President, having been defeated in 1946, the Administrator now returns and initiates a request to do now what he could not do in 1946. In 1946 he requested only \$23,000,000. Now he is requesting \$31,000,000.

Mr. McCLELLAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. DOUGLAS in the chair). Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. McCLELLAN. Is the \$31,000,000 now requested a part of the over-all \$202,000,000 which was the amount for the over-all plan in 1946?

Mr. THOMAS of Oklahoma. The Senator from Arkansas will have to draw his own conclusion as to that. My answer would be that this is the beginning of the construction of the over-all program as submitted to the Congress in 1946.

Mr. McCLELLAN. Let me ask this question of the able Senator: If the fund of \$31,000,000 is appropriated, as now requested for the next 3 years, and if the construction is had, would that provide power lines and transmission lines which would be adequate to serve the whole area covered by the Southwestern Power Administration, or would it provide for service in only a portion of the area?

Mr. THOMAS of Oklahoma. It would be utterly impossible to duplicate, by anything like the expenditure of \$31,000,000, the present 35,000 miles of electric wires strung over six States and to duplicate the great number of existing steam plants in those States. The proposed expenditure of \$31,000,000 is only the beginning. It is the first request for funds to start the construction of this gigantic power empire.

Mr. WILEY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WILEY. I am very much interested in this situation and in what the Senator calls a duplicating system of transmission lines as proposed by the Southwestern Power Administration. I notice that by lifting the celluloid, or whatever the cover of map is made of, we can see very clearly on the map the present existing lines. I wonder whether in the bill the Senator has been discussing there is any provision which would limit the expenditure to only the lines as to which there would be no duplication, or whether the thought is that there should be duplicating lines and the creation of unnecessary service and unnecessary service outlets, thus calling for unnecessary expenditures.

It seems to me this proposal calls for tremendous duplication. I wonder whether there is any thought that, in this connection, lines might be built to render service to persons who do not now receive electric-power or electric-light service, a service which apparently the present power companies do not provide. I wonder if any such proposal is included in the provisions of the bill or of the amendment.

Mr. THOMAS of Oklahoma. Mr. President, the fault of this whole program lies in the fact that the Congress has not considered and developed a national public power policy. I introduced a bill about 2 years ago suggesting the adoption of a national public-power policy, but for some reason unknown to myself I could get no action upon the bill. So the only law we have today is section 5 of the Flood Control Act of 1944, and all that section does is to order that the power developed at flood-control dams built by the Corps of United States Engineers shall be turned over to the Secretary of the Interior for sale and distribution. It provides that he shall not build unnecessary power lines and that he shall build only such power lines as will make the power available to REA's and to public bodies, with the excess, if any, to be made available for sale to private companies.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Montana?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. MURRAY. I should like to ask the able Senator whether it is not a fact that from the time we developed TVA there has been repeated action in the Congress, with a recognition of the principle that in connection with public dams creating hydroelectric power, preferences should be given to municipalities, rural cooperatives, and public bodies?

Mr. THOMAS of Oklahoma. That is all stated in section 5 of the law just mentioned.

Mr. MURRAY. Has the Senator any objection to the Government giving such preferences?

Mr. THOMAS of Oklahoma. No, I favor the policy.

Mr. MURRAY. The Senator does not advocate, does he, the establishment of a rule which would compel the sale of power direct from the bus bar at the public dams, under programs of the kind

being discussed? The Senator believes in transmission lines, does he not, to carry power into the interior where the load centers exist?

Mr. THOMAS of Oklahoma. We must have transmission lines wherever they are needed.

Mr. MURRAY. The Senator does not oppose that, does he?

Mr. THOMAS of Oklahoma. I am for it.

Mr. MURRAY. That is fine.

Mr. THOMAS of Oklahoma. Yet, Mr. President, this is not the entire picture with respect to the program for the development and distribution of electric power.

On March 28 of this year, the Secretary of the Interior, in its annual report to the President, proposed a \$12,000,000,000 to \$15,000,000,000 Federal power program to be fully developed in the next 20 years. If anyone cares to examine the report, there will be found on page 51 the language which is shown on the chart, and which has already been read into the Record.

This means that the Congress may soon be called upon to appropriate from \$500,000,000 to \$1,000,000,000 annually with which to build steam power generating plants, transmission lines, substations and related facilities; and from my knowledge of what has already happened, what is contained in the pending bill and the recommendations of the Secretary of the Interior I am convinced that the paramount issue is not the relatively simple amendment to appropriate the sum of \$9,000,000 instead of \$3,874,020—but instead the issue is the nationalization of electricity in the United States.

Mr. President, as before stated, I am opposed to initiating a program which will, in my opinion, lead to the nationalization of the electric industry or any other industry.

Such a development would be contrary to our free enterprise system and, likewise, contrary to the American way of life.

Such a development is not necessary to accomplish the exact things that our people want and demand.

Our people, and especially those who live in rural areas, want, need, and are demanding an ample supply of electric energy, and they want such energy supplied at the lowest cost consistent with sound business principles.

To such objective I am in complete accord.

The pending issue relates directly to the sale and distribution of power developed, and to be developed, in the territory allotted to the Southwestern Power Administration.

The Administrator of the said SPA is Douglas G. Wright, with headquarters at Tulsa, Okla.

In the Annual Report of the Secretary of the Interior for 1948, the book which is now being passed around, is a chapter prepared by Mr. Wright, and in such article the Administrator makes a recommendation as follows:

To support the maximum capability from hydroelectric generating projects in the area they must be integrated with fuel-burning generating plants. This can be accomplished by . . . interchanging contracts with

private utilities, cooperatives, public bodies, or industrial establishments having fuel-burning generating plants.

Administrator Wright approves of such a policy for the disposal and sale of the hydroelectric energy generated at the publicly owned plants located in the SPA territory.

He lists other plans for the disposal of such energy, but of all the plans listed he has the following to say about the plan just stated:

The first method would be satisfactory and beneficial to the Government, the companies, and the customers of both systems.

Again, Mr. Wright says:

Such arrangements would provide for the most economical development of the country's hydroelectric resources to the maximum benefit to all the people.

Mr. President, with such recommendation and conclusion I am in complete accord, and the balance of my argument will be devoted to the support of such plan for the disposal and sale of the hydroelectric energy as authorized in the said section 5 of the Flood Control Act of 1944.

Mr. President, my main objection to the SPA program is that it imposes upon the farmers of my State a concealed mortgage in the sum of \$350,000,000 to cover the cost of building an unknown number of steam-generating power plants and thousands of miles of transmission and distributing lines to carry the electricity from the dams and steam plants to the farmers' rural electric co-ops of Oklahoma and the Southwest.

I have just said that if the SPA program is carried out that a concealed mortgage in the sum of more than \$350,000,000 will be imposed upon the farmers in Oklahoma and the adjoining States. Where do I get my figures? The answer is: The plans and specifications are all set forth in the 1945 report on the comprehensive plan of power production and distribution in the territory covered by the Southwestern Power Administration.

Mr. President, at this point, I exhibit to the Senate the plans and specifications for the program which I have been discussing. Here are the detailed plans and specifications outlining the power lines from where they start to where they end, covering more than 10,000 miles, as I remember, of territory in the six States of Kansas, Missouri, Arkansas, Louisiana, Texas, and Oklahoma. The figures which I shall give are taken from this report. The report is entitled "Report on Comprehensive Plan of Power Distribution and Sales From Hydroelectric Projects as Authorized by Flood Control Act of 1944, H. R. 4485, in the Southwestern Region."

On page 102, table No. 4, the cost of transmission lines is estimated to be \$125,000,000, and the cost of the steam plants, page 113, table 13, is estimated to be \$77,000,000. That estimate was made in 1944. Since that time prices have increased, wages have increased, the cost of wire has increased, the cost of poles and accessories has increased, so that now, in order to get the relative cost of the construction of these lines, we would have to add 70 percent to the figure \$125,000,000.

On page 113, table 13, there is found the estimated cost of the steam plant necessary to firm up this hydroelectric power.

In my section of the country we do not have dependable power, such as is obtained on the great Columbia River, in the Northwest. We do not have dependable hydroelectric power as they have in the Northwest, on the Snake River. There are two power systems in the Northwest which do not have any steam generating facilities. They have hydroelectric plants, and hydroelectric plants alone. They do not need steam stand-by plants to firm up the hydroelectric power. They have ample water on each of the days of the year. So those two systems in the far Northwest have no steam stand-by plants.

In 1944, when these estimates were prepared, which were submitted in 1945, the estimated cost of the lines and the steam plants necessary to serve the Southwestern part of the United States, parts of six States, as shown by the small map, was \$202,000,000.

As I stated, construction costs are approximately 70 percent higher than in 1944, when the original estimates were made, so that now, to build the SPA system as outlined in the 1945 report, at present prices of materials and labor, it will require an outlay of approximately \$350,000,000.

Why do I say that the cost of this program in the sum of \$350,000,000 is a concealed mortgage upon the farmers of Oklahoma and the Southwest?

The answer:

First, Section 5 of the 1944 act authorizing the construction or purchase of transmission lines and related facilities provides that the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power, shall be returned to the Federal Treasury in a reasonable period of years.

Second, The Secretary of the Interior, in his annual report for the fiscal year ended June 30, 1948, page 135, Division of Power, says, "The power is to be sold at rates which will cover its cost."

Mr. President, just what is proposed for the farmers enrolled in the 29 co-ops located in my State of Oklahoma?

I have just quoted the law providing that the costs incurred in building the system must be amortized, which means paid for in power rates charged to the consumers of the power produced and this is not all.

The farmer consumers will be charged with the cost of maintenance, depreciation, management, and operation of the system.

The 11 major electric companies now serving the Southwest employ some 15,000 people.

If the Government builds a competing system to serve the same territory, then the number of employees necessary to operate the system satisfactorily will not be less than the number employed to operate the comparable part of the private systems.

The costs of maintenance and operation of the system have all been figured out.

In exhibit on page 115, table 15, and page 116, table 16, of the plans and

specifications of 1945, we find the estimated cost of operation and management.

The southwestern system was planned to be constructed, starting in 1946.

As the system was to have been built, the cost of operation and management was estimated, and here is an estimate of the cost of operating the system, beginning in 1946. For that year the estimate was \$4,715,000.

The cost of management and operation for the year 1947 was \$7,062,000.

For 1948 it was \$8,420,000, and for 1949 it was \$14,867,000; and then, by the year 1965, 20 years forward from 1946, when the system as planned will be completed, the operating, interest, and management costs were to be \$43,252,000 a year.

Mr. President, whatever may happen in the future, the opposition to this appropriation in past years has saved the taxpayers of the Nation already these several sums. If the system had been constructed as planned, enough of the system would be created and under operation at this time so that the management costs this year, 1949, would be more than \$14,000,000. As I said, whatever may happen in the future, we have escaped, up to this good hour, this enormous drain upon the Treasury.

At present-day prices, these costs would be increased by approximately 70 percent. I have said that the end of 20 years, in 1965, if this system were constructed, the operating and management costs would be \$43,000,000 a year. At present-day prices, which are estimated to be 70 percent higher, these costs would be increased to the sum of \$73,528,400.

This is the program which confronts us at this hour. If we desire to start upon this gigantic program, we shall have an opportunity when these issues come to be resolved.

Again, Mr. President, who is to pay for the \$350,000,000 construction costs and more than \$500,000,000 of operation and management costs through the year 1965, if this SPA empire electric system is constructed at today's prices.

This will mean a unit price per kilowatt-hour, at present day costs, of 8.26 mills. That is a cheap rate in some sections of the country, as I shall show a little later. But that would be the cost of power in my section of the country, which is above what is being charged now. In the State of Oklahoma, in Arkansas, Texas, and Louisiana, the REA's are getting the power now for less than 7 mills per kilowatt-hour. They have a standing offer today, which they can accept, for all the power they can use, at a rate of 5 mills per kilowatt-hour. Some have accepted that rate, and those that have accepted the rate of 5 mills per kilowatt-hour today have the second lowest electric rate in the Nation.

As I have said, Mr. President, the question is, Who is to pay the costs? To such a question there is but one answer. The farmer co-op members of Oklahoma and the Southwest are to pay. Someone must pay this gigantic bill. The only ones to pay it will be the consumers of the electric products, and if they do not pay it, then this enormous burden will fall upon the backs of the taxpayers of the United States.

Mr. President, how will the consumers, the members of farmer cooperatives and other consumers of this power, pay this enormous bill in a reasonable number of years?

Under the law each farmer consumer must pay his part of the construction costs and his part of the costs of operation and management in the form of rates in monthly bills for the power that he uses.

At this point I will make it clear, I hope, just what this SPA program means to the farmers of Oklahoma and the Southwest.

First. That portion of the costs of installing hydroelectric machinery at each of the power dams in Oklahoma and the Southwest and that part of the dam allocable to power will be charged in the form of electric rates to the farmers and other consumers of such publicly produced power.

The total cost of this outlay will depend upon the number of dams built and to be built.

Second. The cost of the construction of the necessary steam plants, the cost of the necessary transmission and distributing lines, and the cost of operation and management of the SPA electric empire will likewise be added to the rates to be assessed against the farmers and other consumers of such publicly produced power.

According to the original 1945 plans and specifications, the initial cost, at present prices, will be some \$350,000,000. To this sum must be added the annual costs of maintenance, including interest, depreciation, operation, and bureaucratic management in the sum of \$18,959,080 through the year 1965.

Third. The costs of the construction, maintenance, and operation of the lines and facilities of the existing electric co-operatives are already fixed and covered by loans from the REA here in Washington.

From the foregoing it is clear that the power rates to be fixed by the Federal Power Commission must take into consideration—

First, the costs of the hydroelectric equipment and costs of maintenance, interest, and operation at the power dams;

Second, the costs of the steam plants, the transmission and distributing lines, and their maintenance, interest, and operation; and

Third, the interest on and the amortization of the several co-op loans and, in addition, the maintenance, operation, and management of the several individual electric co-ops.

Mr. President, electric rates based upon so costly a system must of necessity be high, and if this grandiose electric empire is constructed, then the hope of cheap power rates in Oklahoma and the Southwest is dispelled forever.

Mr. President, the law directs the Federal Power Commission to consider all costs of construction, maintenance, amortization, interest and operation in approving the public-power rates in any given area.

The law further directs that the power rates shall be "consistent with sound business principles."

Since I have been a Member of the Senate I have concentrated my efforts in

trying to get funds for the building of flood control and power dams.

To develop the hydropower we must build the dams and these costs we cannot escape.

It has been my subcommittee handling funds for the Corps of Army Engineers that has approved and recommended money for the construction of dams and hydroelectric plants.

To make possible the transmission and distribution of power to the farms of the country, it was necessary, first, to create the Rural Electrification Administration; and, second, to provide such administration with funds for the making of loans to the several cooperatives so that the lines and facilities might be constructed.

It was my Committee on Agriculture and Forestry which developed and recommended and caused to be created the REA system.

Again, it was the subcommittee handling funds for the Agriculture Department, of which I am an ex officio member, that has approved and recommended funds for making the necessary loans.

Again, it is the subcommittee handling funds for the Interior Department, of which I am a member, that is approving and recommending funds for connecting the power dams years before they are completed.

These expenses are necessary and cannot be avoided.

Electric rates based upon the costs of developing hydroelectric power and the costs of the necessary connecting backbone transmission lines, together with the costs of interest, maintenance, and operation, should be reasonably low.

In the Columbia River area of the Northwest, the rates to the co-ops are the lowest in the United States and average some 3.5 mills per kilowatt-hour.

In the Tennessee Valley area the rates to the co-ops average some 5.2 mills per kilowatt-hour.

In the Southwestern Power Administration area, embracing my State of Oklahoma, the rates approved by the Federal Power Commission are some 5.8 mills per kilowatt-hour, and a rate of 5 mills per kilowatt-hour is now being offered by the major power companies to the REA cooperatives located in Oklahoma.

If the SPA plan for steam plants and a vast network of transmission and distributing lines is approved by the Congress, and constructed at the cost of some \$350,000,000, with an annual maintenance, interest, and operation cost in the sum of \$18,959,080 average estimated through 1965 in the 1945 plan, then the power rates in my section of the country must, of necessity, be vastly increased, and it is this initial cost and the perpetual maintenance, interest, and operating costs that I am opposing here today.

The question may be asked: "How may farmers get the cheap power from the hydro dams unless the steam plants and the transmission lines are constructed?" The answer is: "By embodying the principles of the Texas Power & Light contract into contracts to be made between the Government and the several local electric distributing companies." In the State of Texas, under the provisions of the Texas Power & Light contract, not a single steam

plant and not even 1 mile of extra transmission line has been constructed save a short connection between the power plant at the Denison Dam and the nearest transmission line of the Texas Power & Light Co.

I have just exhibited a map to the Senate. Recheck the map and Senators will see a multitude of red lines indicating the plan originally made for the building of transmission lines over the State of Texas. Because there was developed a contract known as the Texas Power & Light contract in Texas, not a single one of those red lines have matured into a transmission line. Not a single mile of transmission line has been built in the great State of Texas because there is no need for the building of the line. The Denison Dam is only a few miles from a main transmission line belonging to the Texas Power & Light Co. A short connection was made and all the power produced at the Denison Dam was fed into the Texas Power & Light Co.'s existing lines. The contract provides, in brief, that of the power fed into those lines the Government can take out 70 percent and deliver it at any point it sees fit where the Government has commitments.

Meanwhile the Texas Power & Light Co. is buying all the output of that dam and paying for it, as I understand, in excess of 5 mills per kilowatt-hour. The Texas Power & Light Co. transmits the power, and as the Government makes its contracts with REA or with great Army camps and great naval installations, of each of which there are a number in Texas, and with other public bodies to deliver power to any of them, the Government has the right under the contract to take out the power that is needed, deliver it, and fulfill its commitments.

Mr. President, if it has been good and is now good for Texas to have a contract embodying these principles, thus avoiding an expense of from at least \$75,000,000 to \$100,000,000 in building duplicate lines, why would it not be equally good for my State of Oklahoma, and why would it not be equally good for the great State of Arkansas?

Let me say a word in passing. No State in the Nation has greater possibilities than has the State of Arkansas. Arkansas has everything. It has fine water, fine land, fine products. It has unknown and unmeasured natural resources. The Government is now building in Arkansas a number of power dams. A vast amount of electricity will be produced in that State. That electricity will be connected by a great system covering my State of Oklahoma. Here is Arkansas side by side with Oklahoma.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. McCLELLAN. I appreciate very much the Senator's complimentary reference to my native State and the State which I am honored in part to represent in this body. The Senator is correct that Arkansas is one of the States which has the greatest potentialities for growth and development in the future, and this program of developing hydroelectric power is hastening the day when Arkansas will come into its own. We are very much

interested in the program and in the development of the great natural resources which we possess.

I should like to ask the Senator a question in this connection. Let us say the dams are built, and are generating power. Is it not true that in order to secure the maximum benefits of the power thus developed we must have what is termed firm power, power produced by a fuel-burning plant, in order to firm up the central power which is generated at the dams?

Mr. THOMAS of Oklahoma. I am glad to have that question asked. The answer is plain to anyone who has thought about the program. As I stated a moment ago, there are only two rivers, so far as I know, in the United States, where the water is constant. One is the Snake River in the far Northwest. I believe the other river is in the State of Montana, but I am not sure about that. The Columbia River approaches perfection from the standpoint of constancy of water. In the Snake system and Montana River system—but not in the Columbia Basin—it is not necessary to have any steam stand-by plants. The water there is ample. The turbines can be operated 365 days a year with no diminution of the output.

Mr. THYE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. Would not the Senator include the St. Lawrence seaway as another source of water which would be constant or uniform?

Mr. THOMAS of Oklahoma. I think the Senator is correct, but I have made no study of that system. I do not know how low the water gets in the St. Lawrence River. Most Senators have visited the great St. Lawrence area. Many, no doubt, have spent some happy times there in their younger days. I have not had the privilege of inspecting even the great fall. On the map yonder can be seen a proposed authority, already existing in the mind of someone, which as soon as the St. Lawrence program is developed will become a reality in that area, to sell the dispose of the power.

As I stated a while ago, in my section of the State the water is not constant. We have heavy flash rains and floods. Great damage is done by the floods. Then we have dry spells. The only way we can have the benefit of power is to build vast dams to stop the floods in the first instance, then to hold a certain amount of water in the dams for the developing of hydroelectric energy. I have seen times in my section of Oklahoma, however, when the drought has lasted so long that the vast rivers were entirely dry. I say "vast rivers." They are considered vast in our section of the country. I have seen dry the Cimarron, the North Canadian, the South Canadian, and even the Red River. Yet we have a large dam at Denison which makes a gigantic lake, one of the finest bodies of water created artificially in the world. The lake is called Lake Texhoma, a combination of Texas and Oklahoma. We have a vast power pool there, a vast power potential. We are installing machinery. As soon as the power line is constructed from Denison to Norfork that power will become available.

But, Mr. President, we cannot depend upon hydropower in my section of the country. Even in the great Tennessee Valley, where they have more rain than we have farther west, we found it necessary to start construction of an electrical steam plant in that area. When the Tennessee Valley Authority was inaugurated there were a number of steam plants throughout the Tennessee Valley. They were getting along fairly well with the then population and the then number of factories. But when cheap power was developed there was a movement of population and industries into that valley. Northern industries, eastern industries, western industries, and even southern industries, seeing the advantage of cheap power, moved into the Tennessee Valley. Now it is a beehive of activity. They are using more power than the hydroturbines produce, because they do not have dependable water at all seasons of the year, and although all the existing stand-by steam plants are being used to their capacity when water is low, still they do not have enough power. So the present Congress appropriated money to start construction of a gigantic steam plant at New Johnsonville, Tenn., an absolute necessity.

If we had known years ago that this development was coming, I am not sure that Congress would have initiated the TVA system. I was in the Senate at that time. The bill was reported from the Committee on Agriculture and Forestry. The famous and distinguished Senator Norris was the author of that bill. The argument before the committee at that time was that the Nation needed a yardstick to ascertain how much it cost to produce power. A bill was formulated, reported, and passed, as a means of creating a yardstick to see what power cost. After the movement was started it spread until today the Tennessee Valley area is soon to be swallowed up and surrounded by the Southeastern Power Administration if the other body has its will. I do not know what will happen; but I prophesy that if the Southeastern Power Administration is developed, immediately a fight will start between the TVA and the Southeastern Power Authority. That, I am trying to avoid.

In my section we must have steam to firm up hydro power. In dry times we have no power in that area. We have steam plants there now, as there were steam plants in the Tennessee Valley when the Tennessee Valley Authority was created. I am hoping that when we develop hydro power in the Southwest people will move into our area and factories will come into our area, resulting in a greatly increased demand for power and making it necessary not only to use every kilowatt of hydro power but to build a vast number of steam plants.

That does not imply, however, that such steam plants must be built by the Federal Government. So long as we keep free enterprise in existence in this country the private power companies can build their own steam plants, and they will build their own steam plants. But if the giant monopoly portrayed in two sentences in a recent report from the Secretary of the Interior comes into being, then the credit of every private

power plant in the Nation will be destroyed. Already in some parts of the country private power companies are finding it difficult to float their bonds and debentures. I have no brief for any power company. I committed myself to the program I am announcing here today, at the dedication of the Denison Dam on the 1st of July 1944. That was before Congress enacted section 5 of the 1944 Flood Control Act. Later in my address I shall insert in the RECORD that part of my Denison Dam dedicatory address referring to power.

Luckily for me, I outlined in some detail the program which I thought should be followed. It is gratifying to me to know that the Texas contract has outlined in detail the principles I asserted in my dedicatory speech at the Denison Dam on July 1, 1944. I committed myself then. I have not changed. I have the same opinion now.

The program which the committee recommends is a program which will serve the best interests of every man, woman, and child in America; and if I fail to show that before I conclude, I shall expect the committee report to be overturned.

Again let me say that if it is good for Texas and good for the Government to forego the building over the great State of Texas of all the red lines shown on the chart, it should be equally good to adopt the same program in the States of Louisiana, Arkansas, Missouri, Kansas, and my own State of Oklahoma. It can be done; and if it is done, future Congresses will not be requested to appropriate vast sums of money to build either steam plants or transmission lines.

There is no request here to build steam plants in Texas. There is no request here to build transmission lines in Texas. If the program favored by the committee and recommended in the committee report is adopted by this Congress, what has happened in Texas will happen all through that area. That is not all, Mr. President. It may happen in some areas outside the Southwest.

(At this point Mr. THOMAS of Oklahoma yielded to Mr. TYDINGS for the consideration of certain routine nominations in the armed forces. Debate ensued, which, on request of Mr. TYDINGS, and by unanimous consent, was ordered to be printed in the RECORD at the conclusion of the remarks of Mr. THOMAS of Oklahoma.)

Mr. THOMAS of Oklahoma. Mr. President, I am about through. The SPA Administrator developed the Texas Power & Light contract, and such contract was approved in Washington. That accounts for the absence of the red lines covering thousands of miles in Texas. There is now no occasion for those red lines. There is no application for money to build those lines. The Administrator at the headquarters at Tulsa, Mr. Douglas Wright, is an estimable and able gentleman and a high-class engineer. He developed this contract, making it unnecessary for the Government to spend a single penny in serving that great State with such hydroelectric power as we are now able to develop.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. THOMAS of Oklahoma. I am glad to yield to the Senator from New Mexico.

Mr. CHAVEZ. In order to be clear in my own mind regarding what happened before the subcommittee and before the full committee, let me say that I believe the Senator from Oklahoma has stated correctly what I had in mind. It appears to me that Mr. Douglas Wright stated to the committee that he was satisfied with the contract with the Texas Power & Light Co.

Mr. THOMAS of Oklahoma. I shall place that in the RECORD in a moment. That is correct.

Mr. CHAVEZ. Very well. If my memory serves me correctly, the committee decided, after hearing the testimony from the other companies that they were willing to make the same kind of contract that was satisfactory to Mr. Wright—

Mr. THOMAS of Oklahoma. The Senator from New Mexico is again correct.

Mr. CHAVEZ. Is it not a fact that all the committee did was to say, in effect, "All right; if the Federal Government gets a contract with the Texas Power & Light Co. that is satisfactory to both the Federal Government and the people of that area, why would it not be well, as long as the other power companies are willing to make the same kind of contract with the Southwestern Power Authority, to give them an opportunity to do so?" Is that correct?

Mr. THOMAS of Oklahoma. The Senator is a third time correct. In fact, he is always correct.

Mr. CHAVEZ. That is very kind of the Senator.

Was it not the attitude of the committee: "All right; let us give these private concerns an opportunity to make the same kind of contract the Southwestern Power Authority would be willing to accept; and if they do not, we can come back in January and take further steps?" Is that correct?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. President, the only point discussed by the committee was a plan for forcing through, all over the southwestern area, a contract similar to the Texas contract. It was the opinion of some members of the committee that we should appropriate according to the Southwestern Power Authority figures, and should put the money in the hands of the Administrator. Then the Administrator could have that money to be used as a club over the private power companies; in effect, it would enable him to say to them, "If you are unwilling to sign a contract similar to the Texas contract, we will proceed to build the lines as outlined in our program." On the other hand, if they did sign contracts, that would imply that the Authority would not build the lines, save only the lines regarded as necessary by the Federal Government.

Mr. President, the Congress always has a club in its hands, and it is the largest club in the world.

Mr. KERR. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. KERR. Was not the situation the Senator has described—that of letting the Administrator have in hand the money for the building of the lines if the contract was not negotiated—the same situation which existed in reference to the Southwest Power & Light contract?

Mr. THOMAS of Oklahoma. That is correct. There is no difference between my distinguished colleague and myself. I was a candidate in 1944. I took that position then and announced it, and it is still my position. My colleague was a candidate in 1948. He took his position in 1948, and to his credit he is still insisting that his position is correct. He may be correct; I may be wrong. That remains to be seen.

Mr. CHAVEZ. Mr. President, if the Senator will further yield, I should like to clear the RECORD in connection with this matter, if the Senator from Oklahoma will permit me to do so. I am not opposed to public power. As a matter of fact, I am in favor of public power.

Mr. THOMAS of Oklahoma. I am in favor of more public power.

Mr. CHAVEZ. I am in favor of more public power, too. But if private enterprise is willing to spend money for the distribution of power which the Federal Government provides, I cannot see where we shall be doing anything wrong if we permit private enterprise to make that expenditure, and thus save the money of the American taxpayers, provided, of course, that the ultimate results in the way of distributing public power are accomplished.

I do not like the attitude which seems to prevail in certain quarters, that because we provide public power at the Denison Dam or some dam in Arkansas, Oklahoma, New Mexico, or elsewhere, to be distributed to the people, we should be criticized, or those who believe in public power should be criticized, if, after we find that private enterprise is willing to spend its money to distribute that power, we let private enterprise do so, rather than spend the money of the taxpayers for that purpose.

Mr. THOMAS of Oklahoma. I thank the Senator.

Mr. President, there are some arguments which can be made against the position I am trying to make clear. The argument will be made upon this floor in the next few minutes or few hours that when the Congress decides to deny a part of this appropriation to the Southwestern Power Administration, thus forcing the Administrator to sign a contract similar to the Texas contract, when that times comes there will be a private monopoly, and the private monopoly will cast its greedy eyes about and will proceed to raise rates as high as the traffic will stand. Mr. President, that position is not tenable. Before the Government, for example, can establish a rate in my territory or in the southeastern territory or anywhere else in the United States, the body which produces the power must submit its program to the Federal Power Commission. After hearings and consideration, the Federal Power Commission either approves or disapproves the rate or modifies it. There is not a single public power rate in the United States in

existence today that has not been approved, so far as I know, by the Federal Power Commission. When the Federal Power Commission approves the rate, the rate cannot be raised without the consent of that Commission.

The argument that this will be a monopoly is not tenable. The argument that if and when it gets to be a monopoly, the rate will be raised to the height of the ability of the people to pay, likewise is not tenable, let me say; for I believe I would take my chances in dealing with the head of a public power concern in my home town or my home State in preference to having to come to Washington and deal with some bureaucrat who never was elected to any position, and try to obtain consideration at the hands of a power-mad bureaucrat here in the Government at Washington. As between them, I have made my choice. I think I shall have no occasion to change it.

If I go down to the various departments along Constitution Avenue, I find that the bureaucrats listen to me, but that is about all they do. Were it not for the power which we hold in our hands as Members of the Congress, we would receive no consideration whatever at the hands of some of these nonelected officials presiding at the Capital of our Nation.

Mr. President, I come now to show who is in favor of the program I am trying to explain. Speaker RAYBURN represents the congressional district immediately adjacent the Denison Dam. There is the fine home of the great Speaker of the House of Representatives. Speaker RAYBURN approves of the plan embraced in the Texas power and light contract. In a moment I shall insert his letter in the RECORD.

The Texas Power & Light contract, made and executed in 1947, more than 3 years after I announced my policy at the dedication of Denison Dam, sets forth in detail the plan for the distribution of public power outlined by me in my speech made on July 1, 1944, on the occasion of the dedication of the Denison Dam-Lake Texoma flood-control power project. They are similar, if not identical. Mr. President, at this point I ask permission to insert in the RECORD as a part of my remarks a copy of that part of my Denison Dam dedication speech which referred to the distribution of public power.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

How will this power be distributed?

Public power, as a rule, is produced as a byproduct of flood control, reclamation, and navigation developments.

The Government should not, in my judgment, enter the field of power development in such a manner as to destroy the value of existing power facilities which have served and are serving the wants and needs of the people.

It seems to me that a cooperative plan of power development and distribution may be worked out whereby the people in the cities and on the farms may receive the benefits of such power at reasonable rates.

Such a plan should embrace a program wherein the Government may create the electrical energy and the existing distributing

systems may take the current at the point of manufacture and thereby both the Government and the existing systems may profit by such cooperative plan of operation.

Former Senator James P. Pope, now a Director of the Tennessee Valley Authority, has just made the following statement:

"There is no doubt but that this cooperative effort, which makes for efficiency, economy, and better service, is here to stay and will play an increasingly important part in the future development of the public and private power industry."

Unless this policy is adopted the Government will be forced to build stand-by steam plants and in addition will have to build transmission and distributing lines in order to deliver the electricity to the consumers.

The Government is interested in making a success of its flood control, reclamation, and navigation power developments.

The public is interested in securing electricity at a reasonable price.

These two interests can be harmonized and adjusted to the benefit of both the Government and the consumers.

This is one of the problems that must be solved and when it is solved it must take into consideration the injury done by removing property from taxation and then it must give credit to the values which may be created as the direct result of the making available of an abundance of cheap power.

Mr. THOMAS of Oklahoma. Mr. President, after 4 years of hearings and consideration, the committee recommends as follows:

First. That funds be appropriated to construct main transmission lines connecting all power dams in any one region or area; and

Second. That the Secretary of the Interior be directed to make contracts embracing the principles of the Texas Power and Light contract, with the several local distributing companies whereby hydro power may be firmed up by existing systems of steam plants and transmitted over existing systems of lines at rates to be fixed by the Federal Power Commission.

The committee also recommends that ample funds be provided to connect the two dams, the one at Denison, the other at Norfolk, in Arkansas. These two dams are now in operation. The committee further recommends that sufficient funds be appropriated to build lines to the three dams, one at Fort Gibson, in my State, which involves building a connection from the main backbone line to Fort Gibson, building a second branch line from the main line to the Tenkiller Ferry Dam, and third, building a dam from the Norfolk existing power plant to the Bull Shoals Power Plant to be. Neither of these three dams is ready for production. They will not be ready for from 3 to 5 years, depending upon how rapidly the money is provided. Were it not for the drain upon the Treasury, with ample funds we could rush to completion these three dams and get power much more quickly. But, Mr. President, we are having difficulty now in getting the budget estimates approved by the conference committee. Already a number of the items have been agreed to, and the budget estimates have been substantially reduced.

Mr. President, I desire to explain for a moment the Texas contract. In order to do so, I shall not take the time of the Senate, but I ask that at this point in my

remarks the statement of what the Texas contract means, as outlined by Mr. Wright, the Administrator of the SPA, be placed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DOUGLAS WRIGHT EXPLAINS DETAILS OF TEXAS POWER & LIGHT CO.-SOUTHWESTERN POWER ADMINISTRATION CONTRACT TO HOUSE COMMITTEE DURING HEARINGS ON INTERIOR DEPARTMENT APPROPRIATIONS BILL FOR FISCAL YEAR 1948

We have just completed the negotiation of a contract with the Texas Power & Light Co. which will provide, so far as I know, the first arrangement in this country where a public power operation and a private utility company have contracted with each other for the integration of their systems, the carrying of each other's power and arrangements which utilize all the facilities there.

This contract provides substantially as follows: We deliver to the Texas Power & Light Co. system half the power at Denison, which comprises 35,000 kilowatts of capacity, about 148,000,000 kilowatt-hours of energy—70,000,000 of it primary, the balance secondary—and a reserve unit, when it is constructed, into their system. They propose to allow us to take out of their system at any point, for the service of our customers, 25,000 kilowatts of load at any load factor. Until we take power out, they pay us the value of that power at our rate, and as we take it out the company's payment is reduced to us proportionately as to the amount we have taken out. Thus the Government immediately achieves the full sale of its power and as it sells power to preferred customers, under the Flood Control Act, it withdraws power from the company's and the company's payment to us is reduced. Obviously, the company could not do that without protecting itself from what we might do to their business.

We have worked out three forms of protection that seem to be mutually agreeable. One is that we shall not serve a town over the company's lines where the company is serving retail consumers—and there are some towns down there where the company has part of the town and a municipal operation has the other part. There is no prohibition against our doing this, but we will have to build a line from the Denison Dam to any such customer.

We do not ask the company to carry the power to put itself out of business, which is perfectly fair and reasonable. The Congress can then decide whether or not they want to build a line and serve any customer to which the company will not deliver power.

The second restriction is, if we pick up any customer other than rural cooperatives or federally owned loads, which are now served by the company, we suffer a financial penalty, or a penalty in withdrawal, between what the company would have charged this customer at his rate and what our rate is. That is to see that we do not go and pirate the company's area with their own lines, which also seems fair and reasonable.

The third restriction is that if we take a customer from a utility company in the area around the Texas Power & Light Co., who is interconnected with that company and buying power from him, we lose some right of withdrawal. There is no prohibition against doing it, but the penalty is such that you would think twice before you would do it.

There is enough load of the REA cooperatives and other preferred customers to absorb immediately all the power from the Denison Dam in this area in Texas [indicating]. There are 5,000 kilowatts of Federal load, there are 12,000 kilowatts of REA load, and possibly 10,000 kilowatts of load generated by municipally owned plants. The

power available will be 25,000 kilowatts and you have immediate requirements for at least 27,000 kilowatts.

The company proposes to cancel its existing contracts with the preferred customers and turn them over to Government immediately. That is entirely satisfactory to them.

The arrangements to the north [note: meaning Oklahoma] will probably be somewhat different. I think we can work out arrangements to the north whereby the companies will agree to carry our power to REA cooperatives, and to towns that own their own municipal systems and which generate their own power; possibly also to towns that buy power from them wholesale, but I am not sure.

The operation is beneficial to both because it throws into the company's picture a great deal of capacity, which is very valuable to them on a peaking basis. (Interior Department appropriations bill, 1948, House hearings, pt. 2, pp. 265-266.)

Mr. THOMAS of Oklahoma. Mr. President, after the Texas contract was made, the Southwestern Power Administrator, Mr. Wright, was in Washington, appearing before congressional committees, trying to justify his request for \$9,000,000 this year and a balance of \$31,000,000 over the next 3 years. I desire to quote some questions and answers taken from the official records of the hearings in the House of Representatives. In part II, at page 57 of the House hearings for this year, Mr. JACKSON, a member of the committee, asked Mr. Wright these questions and received these replies:

The Texas Power & Light Co. is now serving some of the REA co-ops in Texas and other preferred customers?

Mr. WRIGHT. That is right; they are serving them for us under our contracts with the cooperatives.

Mr. JACKSON. It is working out well?

Mr. WRIGHT. Very well.

Later, on page 66, Mr. Wright said:

If we had had a reasonable offer, as in the case of the Texas Power & Light Co., where I thought it was reasonable, it did not make a bit of difference to me what anybody else in the Department of the Interior or anyone else thought. I recommended the Texas Power contract and I stayed with that recommendation, because I thought it was a good, fair deal for both sides.

Then, in part two, at page 1069, Mr. Wright is further quoted as follows:

The type of arrangements we have effectuated with the Texas Power & Light Co. can be used with several companies; as a matter of fact, we have proposed that it be used with both the Oklahoma companies together for the power to be sent north from the Denison Dam.

That means north in my State of Oklahoma.

Mr. President, Mr. Wright approves that form. He developed the contract. He signed the contract. It was approved in Washington. All we are asking is the chance now to enter into contracts similar to that with the great company in the State of Texas.

Mr. CHAVEZ. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from New Mexico?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. CHAVEZ. Is it not true that Mr. Wright stated before the committee that he would approve all contracts if they were similar to the Texas contract, but that, until now, the other private concerns there had not submitted the kind of contract that would be similar to the Texas contract, and that was why he had not approved them?

Mr. THOMAS of Oklahoma. That is my understanding.

Mr. CHAVEZ. But is it not also true there was some testimony before the committee that private concerns within the area, that would be either the beneficiaries or the firms served with public power in that particular area, stated to the committee they were willing to sign a contract such as the Texas contract?

Mr. THOMAS of Oklahoma. Again, as always, the Senator is correct, Mr. President.

Mr. McCLELLAN. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Arkansas?

Mr. THOMAS of Oklahoma. I am glad to yield.

Mr. McCLELLAN. Is it not further true that some of those companies have already tendered to the Southwest Power Administrator contracts identical in form with the Texas contract?

Mr. THOMAS of Oklahoma. Mr. President, I have in my brief case, which I am unable to lay my hand on for the moment, a copy of the Texas contract. Each of the 10 companies operating in the Southwest has affixed its signature to the contract, and although I have not seen the letter, I am advised the contract thus signed was forwarded to Mr. Wright, who now has it in his files. The letter contained a recommendation or a statement of willingness on the part of the companies to sign the exact provisions of the Texas contract, with the necessary change of names and dates, or that they will modify the contract in any way consistent with those principles that may be suggested by the Government's agent.

Mr. President, sometime ago a Mr. Clyde T. Ellis, who was at one time a Member of the House of Representatives and was later the organizer of the several REA's of the Nation into one group, and who now is appearing in Washington frequently before congressional committees, urging appropriations, wrote Speaker RAYBURN a letter. I do not have a copy of his letter, but I do have a copy of Speaker RAYBURN's reply, and from the reply we can gather, I think, the nature of the letter sent to the Speaker by former Representative Ellis. I will say for Mr. Ellis that he is a man of great ability and with a pleasing personality, and is one of the most effective lobbyists who has ever come before a committee of the Congress of which I am a member. He has the facility of having people meet him in Washington at any time. Any time he has an interest in a particular subject great numbers of persons come, not invited, and without the knowledge or consent of Mr. Ellis. In any event, Mr. Ellis wrote Speaker RAYBURN a letter on January 2, 1948, and

Speaker RAYBURN replied to Mr. Ellis in the following words:

HOUSE OF REPRESENTATIVES,
Washington, D. C., January 22, 1948.

Mr. CLYDE T. ELLIS,
National Rural Electric Cooperative,
Washington, D. C.

DEAR CLYDE: I have yours enclosing copy of letter that you wrote Douglas Wright with reference to the contract between the Southwestern Power Administration and the Texas Power & Light Co. I have also been told by several Members that you have written them about this contract. I simply have this to say and that is that I was kept informed at all times of the progress of the negotiations between the Southwestern Power Administration and the Texas Power & Light Co. I think I know that the contract was a good thing for the Southwestern Power Administration and rural electrification in the area covered by the contract. Every rural electric cooperative in that area that has been offered a contract with the Southwestern Power Administration since have gladly accepted it and are indeed well pleased with it. With justice to both sides, Southwestern Power Administration and the Texas Power & Light Co. have demonstrated that where both parties want to do the right thing, they can cooperate and work together. We are assured plenty of power to operate our rural electrification cooperatives by mutual exchanges and the Texas Power & Light Co. carries SPA power over their lines at a reasonable rate and SPA carries TPL power at a reasonable rate. I think it is a good contract, not hurtful to the Southwestern Power Administration nor the Texas Power & Light Co., but mutually benefits both in the long run.

I am still quoting from Speaker RAYBURN's letter to Mr. Ellis—

I do not know any language except the language of candor and I want to say to you that I think your fight on this contract is doing a real disservice, not only to the Rural Electrification Administration, the Southwestern Power Administration, but to public power in general. I think I can qualify as a friend of rural electrification because Senator Norris and I pioneered rural electrification—he, passing the bill to authorize rural electrification through the Senate, and I, passing it through the House—

Speaker RAYBURN is saying this to Mr. Ellis—

Let me suggest to you that all of us who are deeply interested in rural electrification should work together and not go in different directions. I know to do otherwise would cripple and is crippling our program for expansion of this great service to the people.

Sincerely yours,

SAM RAYBURN.

Mr. President, Mr. RAYBURN is not the only official of the Government who approves of this class of activity. On an investigation, exploration, and pleasure trip last fall, the President of the United States made a tour of the West. He is always welcome there. On this tour he visited the great State of Arizona. He stopped at Phoenix, a most pleasant place at which to stop, and, while there, he had occasion to meet a great number of his friends, and in an address to them he said:

You are fortunate here in Arizona that the private utilities and the public-power agencies have shown a fine spirit of cooperation with the Federal Government in the development and transmission of power.

Mr. President, that is being done in Arizona, it is being done in Texas, and,

in a moment, I shall tell the Senator other places in which it is being done. All I am asking is that what is being done in Arizona and other places be accorded to the people of my State of Oklahoma.

The only other gentleman living who has held the exalted office of President is Mr. Herbert Hoover. Not long ago President Truman appointed Mr. Hoover as the head of a commission to consider the structure of our Government. He was requested to submit some recommendations, if he found that recommendations could be submitted, in the hope of improving the affairs and the structure of the Federal Government. In Mr. Hoover's report there is found this recommendation:

That the Congress consider in each case whether the transmission and distribution of power can be secured under advantageous long-term contracts by selling the power at the generating plant (bus-bar) before deciding to authorize the construction of Government transmission and distribution lines.

Mr. President, no one could possibly accuse Mr. Hoover of being interested in anything other than a recommendation for the best interests of all the people of the Nation, and on this identical issue he recommends that before we begin to build the plants, before we begin to spend the people's money to build competing, duplicating, and unnecessary transmission lines, a survey be made, and if we find we can sell the power and get it to the consumers without the necessity of building steam plants and transmission lines at great expense that at least such a program be considered. That is exactly the program contained in the Texas Power & Light contract. It is exactly the program which, after some deliberation, I determined to be a proper program, and so announced on July 1, 1944, at the dedication of the Denison Dam.

Mr. President, under the program which the committee recommends we will not have to appropriate any money with which to build steam plants. We will use the plants we have. We will not have to appropriate money to build transmission lines. We will use the lines we have, exactly as the steam plants and transmission lines are being used in the State of Texas.

If we take over and destroy the existing electric systems, what will happen? Already the credit of some of these concerns, if not destroyed, is badly injured in certain parts of the United States. If this plan continues in operation for another year, who would want to buy an electric-company bond? No one would, because with the program now sought to be effectuated, the program outlined on the map before the Senate, and already in the process of construction, it will not be long before bonds and preferred stocks and debentures of such companies will be next to worthless.

If these companies are forced out of existence, then they will pay no taxes. They pay taxes now. There are two major companies in my State, and the two together paid taxes last year of \$8,161,054. One of the companies paid, of that sum, \$3,626,746, the other com-

pany paid \$4,534,308, making the total I have mentioned.

If the program now before the Senate is continued, and the Government builds the system indicated by the red lines over my State, these two power companies cannot exist. They cannot compete with the Government. The companies would fold up, and the State would not collect the \$8,000,000 in taxes. A part of it goes to the Federal Government, and a part to the cities, a part to the State, a part to the counties, and a part to the districts. My State, my counties, my cities, cannot afford to lose that \$8,000,000.

Mr. President, that is not all. According to the Edison Electric Institute, all the electric power companies in the country paid in taxes last year \$731,000,000. That is almost three-quarters of a billion dollars. Can the Treasury afford to lose that three-quarters of a billion dollars? It would not all go to the Federal Treasury itself, but \$308,000,000 of it went to the Federal Treasury last year. More than that, \$84,000,000 in miscellaneous taxes charged to these companies went to the Federal Treasury, and \$321,000,000 went to the States, counties, cities, and districts. Can these States, these cities, these counties, and these districts throughout the Nation afford to lose almost a half billion dollars in taxes? That is what will surely happen if that power empire is developed, which will mean that the present companies will be forced to close.

Mr. President, the way power is now expanding, in the next few years the present companies, if permitted to operate, will be paying more than a billion dollars in taxes. If they are forced to close that billion dollars will never come to the Treasury of the United States, to the States, counties, and cities.

Just another word or two, Mr. President. I know the people want cheap power rates. They first want ample power, delivered, if not at the front door, at the back door. They want the power, and they want plenty of it. They want the power at the cheapest rates at which power can be secured.

I said earlier in my remarks that my State of Oklahoma has the second lowest rate among the States in the Nation, second only to the power rates charged in the Bonneville area. In the Bonneville Power Administration territory, on either side of the Columbia River, in Washington, Oregon, and adjacent States, energy can be made and is being made at the rate of 3.6 mills per kilowatt-hour, slightly more than three and a half mills. That is the power rate charged by that Administration.

In my State of Oklahoma the REA's are now getting their power at a little more than 6 mills in some areas, and in other areas I think it is a little less than 6 mills. But the power companies in my State have made an offer to the REA's of a flat 5-mill rate. They are solvent. They have made application to the Oklahoma regulatory body, known as the corporation commission. The application has been approved, but has not been announced. In that application they agree to furnish the REA cooperatives the rate of 5 mills per kilowatt-hour. If

the rate is approved by the corporation commission, and likewise by the Federal Power Commission—which is necessary, because it is an interstate area—those companies will be bound by the contract which they will make. The rate will be 5 mills per kilowatt-hour during the life of the contract.

Across the line in Texas the rates are a little higher. The rates there are 6.6 mills per kilowatt-hour. In our sister State of Georgia, where power is being developed—and I shall come to that in a moment—the approved rate is 6.7 mills per kilowatt-hour, charged by the Georgia Power Co., with the approval of the Federal Power Commission.

In New Hampshire, in the far northeast, the rate the REA's have to pay is 13.9 mills per kilowatt-hour.

In the great State of Wisconsin there is a gigantic power plant known as Dairyland. It is an REA institution, I am advised, and the rate charged by the REA power plant at Dairyland I am told is 14.6 mills per kilowatt-hour. So the rate in my State is one-third the REA rate in the great State of Wisconsin.

Mr. President, that can be explained. In my State we are most fortunate. We have an abundance of cheap coal. We have an abundance of cheap oil. We have an abundance of cheap gas. The gas wells in the State of Oklahoma when first drilled are uncontrolled and uncontrollable. In the daytime vast flames shoot high into the air and at night they light up the surrounding countryside. I have seen gas wells gushing for more than a year before they could be controlled. My State is underlain with gas. The gas is cheap. Power made by steam generating plants is cheap.

Mr. President, I have stated the rates in the various sections of the country. I shall now place in the RECORD the figures showing what the War Department is paying for its electric power. It is assumed that the contracting authorities and purchasing agents of the War Department are good businessmen. It is assumed they are getting their requirements of power at low rates, or at least at reasonable rates, and I shall now state the figures the War Department is paying.

In the northeastern section of the United States they are paying 14 mills per kilowatt-hour for the Army requirements.

In Maryland, Virginia, and Pennsylvania the rate to the military authorities is 12 mills per kilowatt-hour.

In the Atlantic States, further south, the rate is 7 mills per kilowatt-hour.

In the Fort Sam Houston area in Texas the rate is 9 mills per kilowatt-hour.

At Chicago the rate is 12 mills per kilowatt-hour. San Francisco, 9 mills per kilowatt-hour. District of Columbia, 13 mills per kilowatt-hour.

So, Mr. President, when we remember the rates charged for REA power, and consider the rates paid by the Army, we find that the rates now in force and tendered in the southwestern power area of the United States are the lowest, second only to those of the Bonneville Power Administration.

Mr. President, I support Mr. Wright's Texas power contract. I support the testimony which he gave before the House

committee. I support the viewpoint of Speaker RAYBURN, who approves the Texas contract. I support the viewpoint and the statement made by President Truman at Phoenix, Ariz. I support the viewpoint and recommendation of the only living ex-President of the Nation, Mr. Hoover.

Why am I supporting this program, Mr. President? I am supporting it for the best of reasons. First, the program will enable the Government to get by far the largest amount of revenue of any plan which has been or can be proposed. Why do I make that statement? I make it for this reason: Under these contracts the Government makes the power, and the power companies take not merely the low water power, not the average power, not the firm power, but the power companies take it all. When the water is high they take the dump power. The Government could not sell the dump power to the consumer, because when the flood is gone his power would be gone. But the companies can take that power and put it into their systems. The steam plants can be slowed down while the flood is on, resulting in the saving of money which would otherwise go for gas, coal, and labor. As the water recedes and more power is needed the steam plants are fired up. At all times there is kept a constant, firm flow of power to the consumers of the area. Under this program the Government sells every kilowatt of its power and gets money for it. That is No. 1. That is a sufficient reason, to me at least, for supporting the program I have announced.

But that is not all. By entering the Texas program with the Texas Power Company, the Government saves money. On the one hand, it makes money by selling all its power. On the other hand, it saves money by not having to build any steam plants, by not having to build any transmission lines, by not having to hire a horde of Federal employees to operate the various systems located throughout the United States. That is another reason why I favor the program. It makes money on the one hand. It makes the most money possible for the Government. It saves money, on the other hand, by reason of the fact that the Government is not obliged to spend any money to do unnecessary things.

That, however, is not all, Mr. President. The system provides the consumers with more power. If the consumers, the REA's, and the public power customers, had to depend upon the hydro power, at times they would have no power when the water is low, unless there are steam plants in operation, and at times the power would not be firm and would not be satisfactory. But by feeding the hydro power into the various systems which have steam stand-by plants, the power is immediately made firm and the consumer obtains firm power. That is what he wants. The demand is for firm power. That is what we as a Congress should provide for the people of the United States. The Texas Power contract does that very identical thing.

Then the power which is provided under the Texas Power program will cost the consumers less. Under this program all they would have to pay is their loan to the local REA cooperative. There-

after they pay the rate the cooperative fixes upon its local members. It is not necessary to pay any interest or amortization charges upon the hundreds of millions of dollars the Government would be obliged to spend to build its own transmission system and to build its own stand-by steam plants. If such system and plants are built someone must pay for them. If they are not paid for by the consumers by way of higher rates, then, Mr. President, they will be paid for by the people of the United States at large.

So, let me reiterate, the Texas Power and Light program, the program I favor, and which I have favored all these years, will result in more money coming to the Government. That is No. 1. It will save the Government untold millions of dollars. That is No. 2. It will give the consumer all the firm power he wants and can use. That is No. 3. Then No. 4: He will get power at the lowest possible rates consistent with sound business principles. What more can Congress provide?

Mr. President, during the hearings before the committee a faithful member of the committee attended most of the sessions. He was the distinguished junior Senator from Virginia [Mr. ROBERTSON]. He heard the testimony. When the testimony was completed he read what had been said. He took time to make an analysis of the testimony. I have a copy of his analysis. With his permission, I ask unanimous consent to have a copy of the analysis prepared by the junior Senator from Virginia inserted in the Record at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. THOMAS of Oklahoma. Mr. President, let me make one or two other points before I conclude. I said the Texas Power and Light contract was a good thing. I have said that it should be extended throughout the country. I now report to the Senate that it is being extended throughout the country. In the center of the territory proposed to be created in the Southeastern Power Administration is the Tennessee Valley Authority. The Government is building three great dams in the area embraced in the TVA. One is at Dale Hollow, one is at Wolf Creek, Ky., and one is at Center Hill, Tenn. Those dams are being built by the Army engineers. The dams are flood-control dams, but they also provide power. Under section 5 of the Act of 1944 the engineers are directed to turn all the power these dams generate over to the Secretary of the Interior for distribution and sale. What is the Secretary doing with that power? A contract similar to the Texas contract has been entered into there. The Secretary has made a contract with the TVA whereby all the power which is to be generated at these three dams in the Tennessee Valley will be turned over at the bus bar to the Tennessee Valley Authority. The Tennessee Valley Authority will pay for all the power that is produced. For example, at Dale Hollow, which will be in production late this year or next year, and which will be the first one to come into production, all the power which can be developed

will be taken by the Tennessee Valley Authority and paid for. Not a penny will have to be expended there to build a steam plant. Not a penny will have to be expended there for transmission lines. The Tennessee Valley Authority will build the line to the bus bar and take the power and pay for it. Is not that a good proposition? I commend the Government on the one hand for selling it to the Tennessee Valley Authority, and I commend the Tennessee Valley Authority on the other hand for being willing to buy it.

In the southeastern section of the country other power plants will come into operation soon. We shall have the Bugs Island hydroelectric plant. That is on a river between Virginia and North Carolina. That will come into production in 1952. We shall have the Phillpott plant in Virginia, which will come into production in 1952. The Clarks Hill hydroelectric power plant, with a flood-control element, in Georgia and South Carolina, will come into production in 1953. The Jim Woodruff plant in Georgia will come into production in 1953.

In Georgia there is a plant which is now almost ready for production of electric energy. It is the Allatoona plant, located in the great State of Georgia on the edge of the Tennessee Valley domain. That is a flood-control project. Congress has ordered the engineers to turn over all the power developed at the Allatoona plant in Georgia to the Secretary of the Interior for disposition. Because he did not have any money, I presume, and because this authority was not created, all he could do was to make a contract with the Georgia Power Co. whereby the Government sells all the power which can be generated, and the Georgia Power Co. buys it all and is willing to pay for it. They are not going to build any steam plants. They are unnecessary. They are not going to build any transmission lines. None is necessary. The Georgia Power Co. builds the line up to the dams, takes the power, and this is what it pays the Government: First, \$510,000 a year, which is the overhead cost. Each year the Government gets \$510,000 for the water which is called surplus and is used for making power. In addition, the Georgia Power Co. pays 3½ mills for firm power and 2 mills for the dump, flood, or secondary power. That is what we will get in the way of return from the Allatoona plant in Georgia. That is the Texas Power program in exact duplicate.

Mr. WHERRY. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. The Senator states that that is the Texas Power contract. Is that the Texas contract in principle, or the exact terms of the contract?

Mr. THOMAS of Oklahoma. It is the Texas contract in principle.

Mr. WHERRY. The theory is that the Government itself is selling to the Georgia Power Co., under the principles established in the Texas contract in the two sections which the Senator has already mentioned.

Mr. THOMAS of Oklahoma. That is correct.

Mr. WHERRY. That is the thing which is in question in connection with the Southwestern Power Authority.

Mr. THOMAS of Oklahoma. Exactly so. All I am asking is that the same policy now in force in the Tennessee Valley, whereby the Government sells power from its flood-control dams to the Tennessee Valley Authority, be applied in my State. All I am asking is that the same principles governing the contract between the Government and the Georgia Power Co. with respect to power from the Allatoona Dam be applied in my section of the country.

Mr. WHERRY. Is there any provision, in the event the Georgia Power Co. does not take the electrical energy, under which the Interior Department expects to build transmission lines, or parallel existing lines in that territory in order to distribute electrical energy?

Mr. THOMAS of Oklahoma. Naturally I do not know all the details. I have discussed the matter with those who are supposed to know, and I understand that when the Georgia Power Co. takes all the power it will cost it about 5½ mills, which it will pay to the Government. In turn, the Georgia Power Co. will firm up the power and transmit it, selling it to Rural Electrification Administration cooperatives, Army and Navy camps, public bodies, and other agencies, for 6.7 mills, or practically 7 mills.

Mr. President, to me this is wholly a one-sided issue. As I stated a moment ago, the request is for \$9,000,000. That is the House figure. The Senate committee recommends that it be reduced to \$3,000,000-plus, saving more than \$5,000,000. So when the vote comes it will be on the issue whether we shall approve the Senate committee reduction or disapprove it. A vote "yea" means a vote in favor of the lower appropriation; and a vote "nay" means a vote in favor of the \$9,000,000 appropriation.

Mr. WHERRY. Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. WHERRY. Is it not true that it is the understanding at least of the members of the committee that this opportunity should be given the private power companies, and that if they fail, then the issue will arise again next year?

Mr. THOMAS of Oklahoma. I stated a moment ago in answer to a question by the Senator from Nebraska that the Congress always has a club. We have a club just as big as we may want to make it. If the private power companies refuse to cooperate and honestly try to make a satisfactory contract to protect the Government's interest on the one hand and the interest of the consumers on the other, when we meet again, if I am here, I shall be released from my commitment. I shall vote for at least reasonable sums to start the building of any lines which may be necessary to transmit this power to the rural cooperatives and the consumers of the country.

Mr. DONNELL. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. A little while ago, when the Senator turned the other way, I understood him to say that he did not have his brief case with him, but that there was some assurance of some kind, by way of a signed contract which had been sent to the Government, indicating that the various companies would

sign a contract of the same nature as the Texas contract. Did I correctly understand the Senator?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. DONNELL. I have in my hand a letter dated July 25, 1949, from R. K. Lane, chairman of negotiations for 10 companies, namely, the Arkansas-Missouri Power Co., the Arkansas Power & Light Co., the Empire District Electric Co., the Gulf States Utilities Co., the Louisiana Power & Light Co., the Missouri Public Service Corp., the Missouri Utilities Co., the Oklahoma Gas & Electric Co., the Public Service Co. of Oklahoma, and the Southwestern Gas & Electric Co. This letter seems to me to be in direct corroboration of what the distinguished Senator from Oklahoma has said. I wonder if he would have any objection to my reading the letter, or will he be kind enough to have it read into the RECORD?

Mr. THOMAS of Oklahoma. I shall be very glad to have it read. It is pertinent.

Mr. DONNELL. May I read it?

Mr. THOMAS of Oklahoma. If that may be done without my losing the floor.

The PRESIDING OFFICER. Without objection, permission is granted.

Mr. DONNELL. I take it the Senator from Oklahoma is acquainted with Mr. R. K. Lane, president of the Public Service Co. of Oklahoma, of Tulsa, Okla.?

Mr. THOMAS of Oklahoma. I am.

Mr. DONNELL. And I assume the Senator regards Mr. Lane's word as being worth while.

Mr. THOMAS of Oklahoma. There is no occasion for me to eulogize anyone from my State. I am for all of them. Mr. Lane is the head of the Public Service Co. of Oklahoma, at Tulsa, Okla. Like a great many others, he came from the backwoods—the sticks. He now holds a responsible position.

Before the Senator reads the letter, I exhibit to the Senate what purports to be an exact duplicate of the Texas contract. While this is a copy, it shows the signatures of the heads of the various power companies operating in the southwestern area of the United States.

I now yield to the Senator from Missouri.

Mr. DONNELL. Does that include all companies operating in that section of the country?

Mr. THOMAS of Oklahoma. It includes 10 companies. The Texas Light & Power Co. has its contract, so naturally the name of that company is not signed.

Mr. DONNELL. Excluding the Texas Light & Power Co., does it include all of them?

Mr. THOMAS of Oklahoma. Yes.

Mr. DONNELL. With the permission of the Senate, I shall read the letter:

WASHINGTON, D. C., July 25, 1949.

Hon. FORREST C. DONNELL,
Senate Office Building,

Washington, D. C.

DEAR SENATOR: With reference to appropriations for the Southwestern Power Administration contained in the Department of the Interior appropriation bill, it has been suggested in the testimony of Mr. Douglas Wright Administrator of the Southwestern Power Administration, that the contracts which the private power companies in the area have executed and tendered to the

Administrator materially differ from the contract which the Administration has entered into with the Texas Power & Light Co. covering the distribution of hydroelectric power from the Denison Dam on Red River.

In this connection, I am unanimously authorized by the companies submitting these contracts to say that they do not agree that this is a correct statement, and all of these companies now specifically state and make it clear that they stand ready and willing to execute agreements containing the identical provisions of the Texas Power & Light Co. contract with the Southwestern Power Administration.

The companies also want to make it clear that they will construct, maintain, and operate their systems such that they will be adequate to receive the hydroelectric power from the reservoir projects in the Southwest area and to deliver firm continuous power from their systems to the Government for the supply by the Government to its customers, as provided in the above-mentioned Texas Power & Light Co. contract.

Very truly yours,

R. K. LANE,
Chairman, Negotiations for the Southwestern Companies Tendering Contracts.

After the signature of the letter appear the names of the 10 companies I previously read.

Mr. President, will the Senator yield for a further question?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. I hold in my hand a letter dated July 18, from Mr. Ellis, who was referred to by the Senator from Oklahoma. This is Mr. Clyde T. Ellis, executive manager of the National Rural Electric Cooperative Association. In the letter—and I am perfectly willing to introduce all of it for the RECORD, if that is desired—I notice that the opening paragraph reads as follows:

We feel absolutely certain that when you know the facts you will not be a party to forcing the abominable Texas contract upon us. However, if you go along with certain Senate Appropriations Committee amendments to the Interior bill, that is exactly what you will do. Those amendments will make "slaves" of us. That is what even the power companies themselves said a year ago.

That leads me to ask the Senator, if he will permit me to do so, whether he knows if the letter which Speaker RAYBURN wrote, and which the Senator read, was in response to a letter of similar tenor from Mr. Ellis?

Mr. THOMAS of Oklahoma. I am sorry that I cannot answer that question. Obviously Mr. Ellis sent letters to Members of Congress criticizing the Texas contracts and protesting any approval or semblance of approval of the contract. But further than that, I am not advised.

Mr. DONNELL. I thank the Senator.

Mr. THOMAS of Oklahoma. I thank the Senator from Missouri.

Mr. DONNELL. Mr. President, will the Senator yield for a moment further?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. If the Senator will permit, inasmuch as we want both sides of this matter to be presented, I think it might be well to insert in the RECORD at this point the letter of Mr. Ellis, together with the papers which accompany it, which are several pages in length and contain an analysis of the Texas contract. Does the Senator from Oklahoma have any objection to having this matter go in at the conclusion of his remarks?

Mr. THOMAS of Oklahoma. I should be glad to have it incorporated in the RECORD following the analysis prepared by the Senator from Virginia [Mr. ROBERTSON] which has been ordered to be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. THYE. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. THYE. Will the distinguished Senator from Missouri make known just who Mr. Ellis is, so that the general public in reading the CONGRESSIONAL RECORD may understand the entire question?

Mr. DONNELL. With the permission of the Senator from Oklahoma, let me state that at the top of the letterhead the following appears:

National Rural Electric Cooperative Association, 1303 New Hampshire Avenue, Washington, D. C., Clyde T. Ellis, Executive Manager.

I understand this Mr. Ellis to be the same gentleman to whom the Senator from Oklahoma referred a few moments ago. I ask the Senator from Oklahoma whether that is correct?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. DONNELL. He is the same gentleman to whom Speaker RAYBURN addressed the letter the Senator from Oklahoma has read; is he?

Mr. THOMAS of Oklahoma. The Senator is correct.

Mr. President, since Mr. Ellis is being discussed, let me say that when the hearings were completed in the Senate committee on this bill and when the committee had made its recommendation, Mr. Ellis was not satisfied, obviously; and he immediately prepared a letter and sent it to all the thousands of electric cooperatives in the United States. Incidentally, let me say that Mr. Ellis is a former Member of the House of Representatives and is a resident of my neighboring State of Arkansas. I know him personally; he is a personal friend of mine and is an estimable gentleman of great ability. I have a copy of the letter to which I have referred. It is dated July 18, 1949, and is on the stationery of the National Rural Electric Cooperative Association, at the address just stated by the Senator from Missouri. It reads as follows:

Memorandum to managers and directors of all rural electric systems, NRECA directors, State presidents, secretaries, managers, and editors.

From: Clyde T. Ellis, executive manager.

I shall read the memorandum, Mr. President:

The rural electrification program faces perhaps its darkest hour since it got well under way.

It is the consensus of opinion here that, if the Senate Appropriations Committee gets away with its attempt to force what is known as the Texas contract upon us, the next step will be to effectively deny us the right to generate our own power.

Then up will go our wholesale rates and a thousand Craig-Botetourt attacks upon us will follow.

There is no question but what the Senate committee has capitulated to a well-laid scheme of the power companies to destroy us.

After a bitter committee fight, the Senate Appropriations Committee has adopted amendments to the Interior appropriation bill cutting our reclamation, Bonneville, and Southwestern Power Administration transmission lines and providing that the power companies shall first be given the opportunity to deliver the Government's power to the Government's customers along the line of the Texas contract.

Space does not permit here an analysis of that abominable Texas contract, but most of you know that with all its inadequacies and restrictions it will wreck the program in many States.

The next step would be to deny our systems generation loans until the power companies have been determined to be unwilling or unable to provide our power supply. Our right to generate our own energy is our only bargaining power.

We are mailing this to you on Monday. The bill is scheduled to come up for Senate vote on Wednesday afternoon or Thursday. You've just barely got time to wire both your Senators and get a lot of other people to do the same.

I shall omit the next two lines, and then read the remainder:

We urge you as we have never urged you to do anything before to pass this word to just as many of your neighbors and prominent citizens as you can, and get them to send just as many telegrams as you can to both your Senators, urging your Senators to kill all those Texas contract provisions in the Interior bill (they will know what you mean) and to restore all the transmission lines which the Senate committee cut out. (Please mail us copies.)

Sincerely,

CLYDE T. ELLIS.

Mr. President, a while ago I said that Mr. Ellis is an estimable gentleman and is very effective. That letter or memorandum went all over my State. As a result, I received 150 telegrams. I exhibit to the Senate 54 of those telegrams. I should like to pass them around to Senators. If Senators can find one telegram among them that is not an exact duplicate of the others, then I withdraw my statement from the RECORD—54 telegrams from one small town in my State, each a duplicate from top to bottom, except for the name of the sender. I call that effective propaganda.

Mr. ECTON. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. ECTON. The Senator from Oklahoma might be interested to know that the same thing happened throughout Montana with all the REA's. I suspected that a national propaganda scheme was being developed. I appreciate having the very able Senator from Oklahoma bring it to light, thus informing us about how it all started. I agree that Mr. Ellis has been very effective.

Mr. THOMAS of Oklahoma. I thank the Senator.

Mr. President, although I received approximately 150 telegrams asking me to favor the major program, to change my position, and to vote for the restoration of the entire amounts, I have received from my State more than 1,000 telegrams asking me not to change my position. On the other hand, a newspaper in my State printed a sort of ballot containing about 16 questions and distributed papers containing the ballot throughout the State. Readers of the paper were re-

quested to cut out the ballot, mark the answers to each of the 16 questions, and send the ballot as marked to their Senator. I have received almost 2,500 of the ballots. Of the 2,500, less than 200 are in favor of the Government's entering private business. The remaining 2,000 from my State signified their opposition to the Government's entering any form of private business in competition with private citizens. In addition to the telegrams and ballots I have received, I have a multitude of editorials.

Mr. DONNELL. Mr. President, will the Senator be kind enough to yield for one further question?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Missouri?

Mr. THOMAS of Oklahoma. I yield.

Mr. DONNELL. As bearing on the willingness or unwillingness of the companies to enter into a contract of the same tenor as the Texas contract, I note at page 1380 and following, of part I of the hearings before the subcommittee of the Committee on Appropriations of the Senate, Eighty-first Congress, a copy of a letter, dated May 2, 1949, from the Public Service Co. of Oklahoma, by R. K. Lane, president, addressed to Mr. Douglas Wright, Administrator of the Southwestern Power Administration, the opening sentence of which reads as follows:

Further confirming our written offer of April 19, 1949, to enter into a contract with Southwestern Power Administration for the cooperative distribution of electric power and energy for reservoir projects within the Southwestern Power Administration area on the terms and conditions of the existing contract between the Administration and the Texas Power & Light Co., we herewith hand you an executed agreement containing all of the terms, conditions, and provisions of the Texas Power & Light Co. contract, insofar as it has been possible to make them applicable to the service area of the Public Service Co. of Oklahoma.

The next sentence reads:

In those instances where it has been necessary to change the wording of the contract to fit the purely local circumstances of our service area, we believe that we have enlarged the rights and privileges of the Administration with respect to the cooperative distribution of the Administration's power and energy to its customers.

He then proceeds to some question of being willing to discuss changes, if Mr. Wright finds that the contract can be improved in any particular.

Mr. THOMAS of Oklahoma. I thank the Senator from Missouri.

Mr. President, this issue is of local interest to every State, every city, every county, every village, and every district. In my State of Oklahoma and in the southwest power area there are 322,000 stockholders of the several public utilities. Great numbers of them live in my State. I must, in passing, give them consideration. If their companies are destroyed, unless they could get out before it was too late, they would lose entirely their investment in the power companies. The companies have 15,000 employees, who would lose their jobs. They would have to get jobs with the Government or with someone else. The pay roll in this area is \$38,290,000 a year. That is impressive. At the present time

the companies have power plants and lines under construction in my section totaling \$20,000,000. Those are the lines of only two companies in my State. Companies in six southwestern States have current contracts covering power lines and power plants now under construction to cost \$40,000,000. The southwestern companies pay into the treasuries of my State and of adjacent States, cities, counties, and districts, more than \$30,000,000 a year. As I said earlier, the companies in the six States have together 37,371 miles of transmission lines.

Mr. President, if it should be the policy of the Government to enter upon a gigantic scheme of building power plants and distributing lines, why not let the Government first decide that it will buy the existing power plants, steam plants, and transmission lines? They were built at a time when labor was cheap. The Government could buy those power plants now, and could buy the transmission lines, 37,000 miles of them, for one-half, and even less, what they would cost today. So if it is the desire of this policy-making branch of the Government to enter upon a public-power policy, I suggest we consider the advisability, instead of building steam plants and high-priced power plants at this time, of negotiating with existing companies. If necessary, the Congress could continue with appropriate legislation. It might require legislation; but the Congress makes the laws. We could save half the cost by taking over the existing facilities. If it is to be the policy of the United States to enter upon a public-power program, we can save half of what it would cost now, by taking over plants already in existence. There are 58 steam plants in the southwestern part of the United States, in my territory, which will become worthless if the Government builds competing plants. The power lines will become worthless, if the Government builds competing transmission lines.

So, Mr. President, if it is the desire of the Congress, as the policy-making branch of the Government, to go into the public power business, then as a business proposition I shall certainly recommend that we take over all the existing plants, pay for them, and go into the business in an appropriate way. It will cost a vast sum. The recommendation, as I have shown, is to supplement what we have, in the next 20 years, by an expenditure of from \$12,000,000,000 to \$15,000,000,000. Not a single penny of that money is necessary if we do all that can be done by spending the money to get ample power and cheap power for the people of the United States. They will get cheaper power under the plan I have suggested than under the other.

Since the issue was raised in my section of the country, in addition to more than 1,000 telegrams and more than 2,500 ballots, I have received a multitude of editorials from the newspapers of my State. There are too many of them to read now, but I have as a sample an editorial which was published in the newspapers at Chickasha, Okla., under date of June 2, 1949. The editorial is short and it is entitled "Better Save This Twelve Millions."

Mr. WILEY. Twelve millions?

Mr. THOMAS of Oklahoma. They are asking for \$9,000,000 now, and \$31,000,000 in the next 3 years, but, for some reason, the editor understood that the amount was \$12,000,000 this year. I read:

The Government is asking for \$12,000,000 to build high-voltage lines all over southeastern Oklahoma. No one can be found outside of the fellows whose jobs depend upon the expenditure of these funds who will claim that this expenditure of funds is needed or necessary. These lines are not needed to give any farmer in this area rural electricity. The promoters of the plan have only thought in mind to socialize the production of light and power.

They intend to completely take over the power business in southeastern Oklahoma, just as they have taken it over in Nebraska and Tennessee. They do not claim that there is any dearth of power or power facilities in private hands in this section. What they want is socialized industry, and the easiest group on which to start is the production and distribution of electrical power. With a mounting Federal deficit, where would be a better place to start economy than by the lopping off of this 12 millions?

Mr. President, they asked for \$9,000,000 in the first place, and since we have lopped off \$5,000,000, I think it is a fairly realistic compliance with the request contained in this editorial.

Mr. President, I hold in my hand a newspaper article under a London date line of August 6 by the Associated Press. I read just one paragraph from it:

Laborites, under Prime Minister Attlee, took up the challenge with a promise to pursue their program which already has put railroads, coal mines, air lines, communications, the Bank of England, gas, and electricity under Government ownership.

Suppose the Government should go into the power business. It will either buy or build steam plants. It has got to have fuel. To make steam, it must have coal or oil or gas, and for either oil or gas it must have pipe lines. A demand for fuel of one kind or another would justify a request of Congress to take over the gas fields, the oil fields, and the pipe lines. What would be the next round? To transport coal it would be necessary to follow England's precedent and take over the railroads. Funds with which to finance the transactions must be had. The next step would be to take over the banking system of America. Where would we stop? If that should happen, if it ever does—and I am against it—where would we get \$42,000,000,000 in taxes to pay the ever-mounting bills of the Federal Government? Where would the States, the counties, the cities, and the districts get \$17,000,000,000 with which to finance their public affairs—a total of \$60,000,000,000?

Mr. President, there was a time when England had private enterprise. There was a time when private enterprise paid taxes in England. At that time there was plenty of revenue with which to carry on her form of government. But as industry after industry was nationalized, they ceased to pay taxes. The program was carried on until the time came when practically no one in England was required to pay taxes. Then what happened? England had to have money. Nationalized industries pay no taxes. What did England do? She sent emis-

saries to America to negotiate a loan of \$3,750,000,000. At that time the program had not progressed so far but what it was thought England could still meet any obligations she incurred. But there were no tax sources. The money was soon gone. Then what happened? England tried to borrow more money, but we discovered at different times that if we advanced money, the chances were we would not get it back. So we did not waste the effort; we simply began to give England money. England has not paid back what she borrowed. We did not expect her to pay back what we gave her. That program is still being followed. I voted for the appropriation for England, but I am cataloging and stating that what has happened to England in the past 2 years is now proposed for the great United States of America. If nationalization is undertaken, what will it mean? Nationalization means collectivism; it means nazism, fascism; it means socialism, and, if we carry it one step further, communism. If we nationalize our industries and lose our source of revenue, where will we get the money to operate this great Government? We cannot borrow it. No one is left to loan us money. I am against it.

No harm could be done by the program which is advocated by the committee. It is the only thing that should be done. Build the necessary lines that have been started, and, if lines are necessary to transmit the power to where it is needed, to private companies, build those lines. I should be willing to vote to build those lines. If the Texas contract is entered into, free enterprise will build all the lines that are necessary, all the steam plants that are necessary; the Government will build the dams, generate the power, and sell it, and thus we shall avoid the expense of duplicating steam plants and transmission lines to firm up all the power in the United States—in the Tennessee Valley, the Southeast, the Northeast, the Southwest, the Northwest, the Columbia River Basin, and central California. People everywhere will have ample firm power. There is now a shortage in some areas, but every effort is being made to fill that shortage. This program will give the people plenty of firm power at much lower power rates to them than they will have if this gigantic system should be installed and operated by the Federal Power Commission.

Mr. President, I apologize to the Senate for the length of time I have taken.

Mr. HAYDEN, Mr. McCLELLAN, and Mr. MURRAY addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Oklahoma yield; and if so, to whom?

Mr. THOMAS of Oklahoma. I yield to the chairman of the subcommittee [Mr. HAYDEN].

Mr. HAYDEN. I desire to make a few comments on the Senator's address.

Mr. THOMAS of Oklahoma. Then, I yield to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I wish to call the attention of the Senator to the report with respect to the Central Valley project and the Big Thompson project. We find language in the report to the effect that failure to authorize construction of certain lines, or appropriate for them, is based upon the assumption

that the private power companies will enter into contracts like the Texas company contract, and therefore the appropriation is being withheld. The same language, I note, is not used with reference to the Southwestern Power Administration. There is no statement in the report that the withholding of these lines in the Southwest power area is based on the assumption that such contracts may be entered into. The report does state with respect to the Southwestern Power Administration area that the private power companies in the area manifested a willingness to, or have given assurances, that they would enter into such contract.

It is my understanding that the committee has undertaken to declare a unified public-power policy in these three areas—the Central Valley, the Big Thompson Dam area, and also in the Southwestern Power Administration area. Is there any difference in what the committee is undertaking to do in all these areas with respect to obtaining a general unified policy in the transmission and distribution of electric power?

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the question just submitted by the able Senator from Arkansas. As I said earlier in my remarks, the trouble has been that the Congress has not as yet developed and adopted a Nation-wide public-power policy, and because of that neglect or failure it has forced the Committee on Appropriations to do what it can toward the adoption, or suggestion, at least, of a public-power policy. After 4 years of hearings and much discussion and debate the recommendation made in the committee report is what we think would be a desirable policy to be developed into a national public-power policy.

Mr. McCLELLAN. Notwithstanding the language of the report to which I referred, it was the intent of the committee, that the power policy in these three areas should be uniform and in line with what the able Senator has stated, was it not?

Mr. THOMAS of Oklahoma. That is my understanding, that so far as possible the Texas Power & Light Co. contract should be taken as a set of basic power principles, the application of those principles to be modified to fit the different areas, so that the best possible kind of a contract could be entered into in the several areas.

Mr. McCLELLAN. But the basic principle is to be the same in each of the three areas?

Mr. THOMAS of Oklahoma. That is my understanding, and I am free to state that I think that was the understanding of the committee.

I now yield to the distinguished Senator from Montana.

Mr. MURRAY. Mr. President, the able Senator a few moments ago was discussing the conditions in England which resulted in the nationalization of the various industries there. I should like to ask him if it is not a fact that the nationalization of those industries grew out of the fact that the country had been saddled with monopolies, and that it was because of those conditions that they were compelled to nationalize their industries?

Mr. THOMAS of Oklahoma. The Senator may have some foundation for his conclusion. I am not disputing it; I am not acquainted with conditions in England.

Mr. MURRAY. Is it not a fact that we are seeking in this country today to avoid having a power monopoly fastened on the American people? That is exactly what would happen if an effort were not made on the part of those of us who are urging these programs in different sections of the country to bring low-cost power to the people, to help to develop the natural resources, and at the same time to prevent monopolies.

The other matter the Senator discussed a short time ago, about a great many telegrams being sent in, is an illustration of an old system that has prevailed for many years. It was developed in the first instance by the power monopoly. I remember back some years ago when we were having holding company hearings in Washington, hundreds of thousands of such telegrams came in, and one enterprising messenger boy who was being paid 10 cents a name for every telegram he could get sent went out and got a telephone book and signed the names he found in the telephone book, and made quite a killing.

I do not think anyone is greatly affected by telegrams and editorials such as those referred to. Also let me point out all over the country there are subsidized newspapers which are printing boilerplate editorials designed to influence such legislation. The legislation is to be decided on its merits, and on the facts, and not on mass telegrams and boilerplate editorials.

Mr. THOMAS of Oklahoma. Mr. President, I appreciate the statement made by the distinguished Senator from Montana, but speaking for myself, and myself alone, I would rather deal with a private monopoly whom I can contact freely than to deal with a bureaucratic public monopoly operating out of Washington, or from anywhere else in the United States. If it is monopoly on behalf of the Government or monopoly on behalf of free enterprise, I would take my stand on the side of free enterprise.

Mr. MURRAY. Mr. President, I appreciate the Senator's statement, but it is not always possible to deal directly and freely with the representatives of private utilities, because sometimes there are absentee managements, as in the State of Montana. The Montana Power Co. is owned 90 percent by the American Power & Light Co., a holding company, which is owned by the Electric Bond & Share Co. So we do not have any contacts with the utilities in Montana. They own the newspapers in the State, and, of course, can print editorials proclaiming their views in a very pleasant form.

Mr. THOMAS of Oklahoma. I thank the Senator.

EXHIBIT 1

MEMO ON TESTIMONY BEFORE SENATE APPROPRIATIONS COMMITTEE CONCERNING ITEMS FOR THE SOUTHWESTERN POWER ADMINISTRATION AND THE SOUTHEASTERN POWER MARKETING AGENCY IN THE INTERIOR DEPARTMENT APPROPRIATION BILL

Secretary Krug said the Interior Department now operates more hydro capacity than any other supplier in the world (p. 35).

Discussing the \$85,000 requested for the Southeastern Agency, Walton Seymour, Director of the Division of Power, said a contract had been made with TVA for sale of power from two projects in Tennessee and one in Kentucky but the contract still had to be cleared with the Federal Power Commission. Senator Hayden said: "The job (of selling power from these projects) is practically done except that from now on the money will be paid to you and you in turn will account for it and pay it into the Treasury." Mr. Seymour replied: "That is right" (p. 95). Asked about the status of other Southeastern projects, Seymour said that in addition to the three dams on the Cumberland watershed, output of which is being sold to TVA there were the Altoona project in Georgia to be finished in 1950 and with a contract already made with the Georgia Power Co.; the Jim Woodruff project in Florida, Clark Hill on the Savannah River and Buggs Island and Philpott on the Roanoke River, none of which is scheduled to be finished until 1952 (p. 96).

Seymour said the Georgia contract provided for the power company to take the entire output of the project but gave the Government the right to withdraw a substantial amount for delivery to preferred customers. He said no Federal transmission lines are planned in the Southeast now but "it may be necessary for some agency to build transmission lines to some extent to connect every one of these projects. * * * If public bodies and cooperatives want to buy this power and they lie within feasible distance of the projects they have the right under the law to buy the power" (pp. 100-101).

Senator Hayden asked: "If a private power company would make an agreement with you to transmit this power from this Buggs Island Dam to the city, you would make a deal with them and you would not have to build a transmission line?"

"Mr. SEYMOUR. That is right."

"Senator HAYDEN. That would be the ideal way to work it out?"

"Mr. SEYMOUR. Assuming the private line could carry that additional load."

Senator THOMAS recalled that the Southwestern Power Administration had proposed to spend \$200,000,000 for a power system and asked if something similar was contemplated for the Southeast. Seymour said: "The requirement is the same in both areas." Senator THOMAS asked if every kilowatt of power the Government projects can produce now cannot be sold without spending a penny for transmission lines and Seymour said he did not think all the power could be sold "in accordance with the requirements of the law" without the addition of some transmission facilities (p. 105).

There was discussion of the contract between the Southwestern Power Administration and the Texas Power & Light Co., under which the Government has the right to transfer power over the company's system and sell it to public bodies and cooperatives. Senator HAYDEN asked: "It has worked out to the satisfaction of both the Government and the Texas Power & Light Co.?" Seymour replied: "Yes, sir, it has worked out very satisfactorily" (p. 108).

Senator CORDON asked how it could make any difference to users of electricity whether it is wheeled into them by a private utility under contract with the Federal Government or brought to them on a duplicating line built by the Government. He asked: "How can he be any better served by the latter than by the former?" Seymour said: "I think each method of service is equally satisfactory if the contractual arrangements are adequate to meet the requirements and if the Government in fact enters into the same contract with the customer, whether the power is supplied over a private company's system or over the Government's own system, as long as the facilities are adequate in both cases" (p. 109).

Replying to questions by Senator ELLENDER, Seymour said that under the Texas contract the Government did not lose control of the amount of power handled by the utility and can dispose of it as it sees fit. ELLENDER then said: "In other words, if a contract can be entered into with the Government for this publicly owned power with private concerns who probably would be willing to extend their facilities in order to carry this electricity, there would be no objection by you or by the purchasers of this electricity?" Seymour said: "That is right, sir" (pp. 111-112).

(In its report the committee reviewed the status of Southeastern power projects and said: "The committee sees no need for setting up another organization, which includes personnel increases of \$68,000, to carry on work which is already being performed, and which is of such nature that a separate organization should not be required" (Rept., p. 69).

Testifying for Southwestern Power Administration, Administrator Douglas G. Wright, said its present program contemplates \$31,000,000 for transmission systems (p. 1298).

Asked by Senator WHERRY whether if other companies made offers identical in principle with the Texas contract, he would be willing to negotiate with them and handle the business that way rather than through building public lines, Wright said: "I certainly would be very happy to work out that arrangement wherever it will work. * * * I am willing to let the Texas Power & Light Co. pattern work wherever it can work in the area." Meanwhile, Wright said, SPA had gone along with cooperatives which were building their own integrated systems, including generation and now has "contracts for 297,000 kilowatts of Government power, which we won't have to sell these people until 1953. We have gone out and sold this power 4 years before it is here" (p. 1335). He said he had promised to meet with utility representatives immediately after action on the appropriation was completed "to discuss with them any possibility of putting the Texas Power & Light Co. pattern wherever it will be put" (p. 1341).

Discussing competition with private power, Senator GURNEY asked Wright: "Would you build a line in competition with a line that is now serving the load centers that you are aiming at?" Wright: "Yes, if it was necessary to deliver the power there." Senator WHERRY: "At a lower rate?" Wright: "At a lower rate or Government rate." Wright said he could not foresee that this policy would kill private competition because expanding power requirements would continue to create new demand for line facilities (pp. 1352-1353).

Frank M. Wilkes, of the Arkansas Power & Light Co., pointed out that there are no private power companies left in Nebraska or in the TVA area and that similar results were threatened elsewhere by proposed new valley authorities. "That is what we are headed for and we just hope you gentlemen will deny any appropriation here and let us go and see if we cannot join hands with the Federal Government," Wilkes said. "We are ready to go the whole way, we will let the Government take service from our lines and if they want to sell the cooperatives direct and the cooperatives want to buy direct from them, then the Government can do it. We sell it to the Government; the Government can give it to the cooperatives if they want to then" (p. 1360).

R. K. Lane, president of the Public Service Co. of Oklahoma, said the contract which 11 power companies had offered to make with SPA was fundamentally the same as the Texas contract. He said the companies would use power obtained from the Government as peaking power and would firm up the power sold back to the Government. "In selling the power produced by the Government to

the companies, as peaking power, they have a little over twice as much power to sell, and they get twice as much money for it, as they otherwise would get," Lane said. "So they would not be sure of the energy to supply their own customers unless they built steam plants. But under the Texas Power & Light Co. contract, which is the same contract we are offering, we firm that power up." Asked by Senator MCCARRAN who absorbs line losses, Lane said: "We do. I will tell you why it is. We want to maintain the integrity of our investment. We don't want to happen to us what happened to all the companies in Tennessee" (p. 1399).

Walter B. Gesell, vice president, Oklahoma Gas & Electric Co., said transmission lines which SPA wants to build would connect with "a proposed supercooperative which plans to build a steam generating plant at Anadarko and high-voltage transmission lines to serve cooperatives which are already adequately served at low rates by the companies. The SPA proposes to lease this plant and these transmission lines, thus also blanketing the west half of the State with a transmission network to be operated by the Interior Department. This latter leased-line plan has not been disclosed in much detail, but the whole program, as contemplated, would create a duplicating transmission network over most of the State" (p. 1405).

C. Hamilton Moses, president, Arkansas Power & Light Co., said: "We hated to sign that Texas contract. It's a pretty hard thing to work down there for years, building up your customers—and our company serves 13 co-ops at 45 points of delivery. * * * But we are saying to the co-ops now that if they don't want to take power from us, we will make an arrangement, if Mr. Wright will, so that they will take either from us at our present points of delivery—the utilities in the Southwestern area will dedicate all of their thousands of miles of line and Mr. Lane says it is 35,000 to take this Government power to those preferred customers all over the area and sell them at a rate equal to or cheaper than the present SPA rate. Our rate is cheaper than the SPA rate" (pp. 1428-1429).

Thomas B. Fitzhugh, attorney representing Arkansas State Electric Cooperative, Inc., in his prepared statement said they opposed the utilities, Texas type contract proposal because: It would give the companies a monopoly of all power from the federally financed projects. REA co-ops and municipally owned systems would have no choice as to their source of power. Towns and cities would be precluded from buying their own distribution systems and later getting power from Government dams. Cooperatives would be precluded from serving within the corporate limits of a city or town served by power companies and both SPA and co-operatives would not be allowed to serve customers who had been served by a private company but the private companies would not be precluded from raiding territory served by cooperatives (p. 1438).

Clyde T. Ellis, executive manager of the National Rural Cooperative Association in his statement said the Texas contract virtually precludes cooperatives from serving rural industries and that it was dangerous because in other States the State regulatory commissions can change the contract terms. (P. 1567.)

The committee approved proposals of SPA for 11 projects including 82 miles of transmission line and involving cash appropriations of \$986,115 and contract authorizations of \$2,257,906. It disapproved six projects including 282 miles of transmission line involving an estimated cost of \$5,177,000. The facilities disapproved all were for the purpose of connecting with either the M. and A. Electric Power Cooperative or the Western Electric Cooperative. The justification showed these as supercooperatives planning

to have their own generation facilities and high power transmission lines. (Pp. 1293-94.)

In its report the committee pointed out that the private utility companies had advised the committee they would make the entire transmission and related facilities of their systems available to the Government without charge to the Government's customers for carrying power from the Government's own transmission system to preferred customers and that the companies also had said they would supply all the energy required by the Government in addition to its own production to serve preferred customers. The committee "directs that the Administrator of the Southwestern Power Administration report to the Senate and House Appropriation Committees by January 1, 1950, on progress made on entering into contracts with private power companies in the area where the Southeastern Power Administration operates." (P. 4 of report.)

EXHIBIT 2

NATIONAL RURAL ELECTRIC COOPERATIVE ASSOCIATION,

Washington, D. C., July 18, 1949.

HON. FORREST C. DONNELLY,
United States Senate,

Washington, D. C.

DEAR SENATOR: We feel absolutely certain that when you know the facts you will not be a party to forcing the abominable Texas contract upon us. However, if you go along with certain Senate Appropriations Committee amendments to the Interior bill that is exactly what you will do. Those amendments will make "slaves" of us. That is what even the power companies themselves said a year ago.

Four days before the Interior subcommittee hearing on the Southwestern Power Administration item the word got out that the power companies would make such a last minute move and more than a hundred farmers and representatives of the rural electric systems from Kansas, Missouri, Oklahoma, Arkansas, Louisiana, and Texas came to Washington on their own initiative in protest. Only a few of them got heard. Perhaps not half of them ever got in the committee room.

Our people in Colorado, California, and Idaho on whom the committee would also force the Texas contract had no inkling of such catastrophe until the committee report came out. Certainly no proper hearing on it has been had, even if it is right and proper for an appropriations committee to legislate well-established policy and law out of existence. Such amendments would clearly nullify those provisions of the Reclamation laws, the Bonneville Act and the Flood Control Act of 1944 which give the municipally owned and rural electric systems a chance at the public power without the power companies coming in between with all their inadequacies and enslaving restrictions.

This organization represents more than 2,000,000 farm families in your State and 41 others. I can tell you that they are practically unanimous in insisting that all the transmission facilities as approved by the House, plus a few lines added by the Senate committee, be approved.

Attached hereto is an analysis of that Texas contract.

Attached also are quotations from some of the power company testimony of last year.

Won't you please read these and then do all in your power to help kill those Texas contract amendments and restore the transmission line cuts. Incidentally, I should add that our systems in the Southwest have already guaranteed the repayment of the cost of these lines with interest by contracts already executed with the Government.

Anxiously awaiting your help, I am,

Sincerely,

CLYDE T. ELLIS,
Executive Manager.

THE TEXAS CONTRACT—SUMMARY OF FOLLOWING ANALYSIS

1. The Texas Power & Light Co. contract was negotiated only after Congress had appropriated funds for transmission lines in T. P. & L. territory.

2. Texas Power & Light Co. contract was designed to fit a particular situation, that is to market one-half of the output of one project in a limited market area. It applies to only one-half the output of Denison project to be sold in the area served by Texas Power & Light.

3. It does not follow that a contract arrangement, which will work in a particular and limited situation, will also work when applied to general and unlimited situation. For instance, in the rest of the territory there are areas where no power companies operate or where their transmission facilities are already inadequate. The belated power company attempt to apply the principles of the T. P. & L. contract to the service areas of all of these companies, extending over several States, injects many new problems which did not exist in the Texas situation.

(1) Will the preferred customers absorb all the output of the several projects to be developed during the life of the contract?

(2) If not, what will be done with the remainder of the power? The companies have contended it will overwhelm them. (See analysis of power company testimony.)

(3) Who will secure the benefits to be derived from tying the dams together?

(4) What about the areas where no power company transmission lines exist or are inadequate?

4. What would happen to the present contracts which the cooperatives have with SPA and municipally owned systems? SPA has sold all its power and has none left.

5. The problem of service to municipally owned systems will be far more complicated in the area of the 11 companies than in Texas.

6. In the Texas contract, SPA will deal with one company. Now many companies are involved and the question of individual liability under a joint contract would be a serious one.

7. From an engineering point of view, it is doubtful that such an operating plan as devised for one project as in T. P. & L. contract would be workable for a whole series of projects scattered over a wide area including many different water sheds.

8. The T. P. & L. contract in the rest of the territory would be violation of both the letter and spirit of the law. For instance, it would leave the municipally owned systems out in the cold. The Texas contract clearly sold down the river those municipally owned systems which desire to purchase SPA power.

9. Under power company proposals, the State regulatory bodies could still raise the rates which the power companies would charge to our systems. (Texas has no regulatory body.)

10. What would happen to the rural electric systems on the expiration of such contracts? Would the power companies then apply their recent and past tactics of trying to kill the electric co-ops off, for obviously the co-ops would then be at their mercy.

THE TEXAS POWER & LIGHT CO. CONTRACT ANALYSIS

The Texas Power & Light Co. negotiated the contract with Southwestern Power Administration after Congress had appropriated for transmission lines in T. P. & L. territory. The lines were never built.

The Texas contract arrangement restricts the Government power program to serving only two classes of customers—namely Federal Government loans and rural cooperatives, except under the penalty provisions. It is thus in conflict with section 5 of the

Flood Control Act of 1944 which provides the same priority to municipally owned systems. Section 3 (a) (7) controls in this respect and is as follows:

"In the event and so long as the Government delivers power and energy for service to customers now or hereafter supplied (excepting (a) establishments operated by or for the account of the Federal Government and (b) rural electric cooperatives, incorporated under the Electric Cooperative Corporation Act of the State of Texas and serving only customers authorized to be served under said act), the Government shall compensate the company by means of a credit equal to the difference between the cost of such power and energy computed at the lowest then effective rate of the Government and the cost of such power and energy computed at the lowest then effective rate of the company applicable to the service to such customers."

It appears from section 3 (a) (5) that the company would not deliver power off its system for delivery to municipalities owning their own distribution systems, except at the dam and then under the penalty.

The Government cannot afford to serve any customer which, under the contract, would require penalty payments. The Government rate is a cost rate and any penalty would cause the Government to sell below cost and thereby nullify its pay-out schedules. Secondly, only under conditions of a very large load or a customer located near the dam would make it possible for the Government to build a line to serve customers. Furthermore, even though the Government built its own line to a town or municipality now served or which may hereafter be served at retail by the company, it would still have to pay the penalty. So under no condition could these customers be served under the contract.

The Federal power program should assist the development of all phases of the economy of the region—agriculture, commerce, industry, and trade. Under the contract, large segments of the economy are so isolated and restricted that it can receive no assistance from this cheap power. Industry, commerce, and municipalities have most to lose by it. REA's will not benefit, except in some instances, and if the contract saps the virility of the SPA program, as it probably will, they have much to lose.

The Government power program is not free under the contract. It can only move and develop within the narrow framework of the restrictive contract.

Significant provisions of the Texas Power & Light Co. contract

1. The Texas Power & Light contract is a bus-bar sale of power at the dam. The company agrees to purchase 120,000,000 kilowatt-hours of firm energy and available secondary energy from the first unit at the Denison project except that from 5,000 kilowatts reserved for Oklahoma companies. It agrees to pay \$59,000 per month less a credit of all power taken out of the company's system by the Government at a rate slightly higher than the SPA rate.

2. After the second unit is installed, the company agrees to take 70,000,000 kilowatt-hours of firm energy and one-half of the secondary energy produced for \$52,000 per month less a credit of all power taken out of the company's system by the Government at a rate slightly higher than the SPA rate.

3. After the third unit is installed, the company agrees to purchase 70,000,000 kilowatt-hours firm energy and one-half the secondary energy produced from all three units and also the output of the third unit when not needed by SPA for reserve or to maintain service. The company agrees to pay \$6,000 per month additional to the \$52,000 stated above for the third unit.

4. The Government is given the right by the company to take out of its system 20,000

kilowatts of power and after the third unit is installed 25,000 kilowatts of power. This power to be firmed up by the company as necessary to meet the customers' needs.

5. The conditions and restrictions under which this power can be withdrawn are as follows:

(a) The Government agrees to make diligent effort to dispose of all its power to preferred customers and will not dispose of power to others as long as it can be marketed to the preferred classes.

(b) The Government agrees not to sell power to other than preferred classes for a period of 18 months.

(c) If at any time the Government sells to other than preferred customers, the company can terminate the contract by giving 3 years' notice.

(d) The Government cannot sell power to any town or municipality in which the company is now serving or may hereafter serve at retail unless it builds a line from the dam to the customers and by paying the company a penalty equal to the difference between their respective rates.

(e) The Government cannot serve any customer on another system interconnected with the company.

(f) The Government cannot serve any customer that is now or hereafter served by the company except by paying the penalty equal to the difference in respective rates except to Federal Government and cooperative loads.

6. The company agrees to provide the necessary facilities for rendering service to the Government's customers except those of excessive cost.

7. The company agrees to relinquish its customers to the Government entitled to receive service under the contract when requested by the customer.

8. The contract is for a term of 20 years subject to termination by giving 6-year notice. After the contract expires or is terminated, what then?

9. There is no State regulatory commission in Texas which could raise the rates to the cooperatives, but the commissions in all the other SPA States (Oklahoma, Kansas, Missouri, Arkansas, Louisiana) could raise the rates.

STATEMENTS OF POWER COMPANY OFFICIALS, SENATE HEARINGS, INTERIOR DEPARTMENT APPROPRIATION BILL, FISCAL YEAR 1949, RE: SPA CONTRACT WITH TEXAS POWER & LIGHT CO.

Testimony of Hamilton Moses, president, Arkansas Power & Light Co. (p. 425)

Senator O'MAHONEY. The Southwestern Power Administration told us this morning, if I understood the testimony correctly, that it had a contract with the Texas Co., which was satisfactory. Would that contract be satisfactory to you?

Mr. MOSES. No, sir. And this chart answers the question.

Texas Power & Light has the Denison Dam to take care. There will be three units in it. About 100,000 kilowatts of power, part of it in Oklahoma and part in Texas, and Texas can absorb that power without hurting them very much. They can easily absorb it in their loads. What would we do in Arkansas absorbing this enormous amount of hydro power (of the several other dams) on the basis of the Texas contract? It would overwhelm us.

Testimony of Frank M. Wilkes, president, Southwestern Gas & Electric Co. (p. 1436)

Personally, I would feel that I was almost criminally to blame should I make such a contract with Southwestern Power Administration for the Southwestern Gas & Electric Co.

When the rural electric cooperatives learned of the fact that the Texas Power & Light Co. and SPA had literally sold them down the river into slavery, they were rather upset.

CONSIDERATION OF NOMINATIONS IN
THE ARMED FORCES

During the delivery of the speech of Mr. THOMAS of Oklahoma,

Mr. TYDINGS. Mr. President, will the Senator yield?

Mr. THOMAS of Oklahoma. I yield.

Mr. TYDINGS. The Senator from Oklahoma is making a very learned and interesting address. I know that he is covering the subject in a very extensive way, and I anticipate that his remarks will continue for some time. Solely in the interest of economy, I am wondering whether he would yield to me for a moment to have some routine nominations in the Army considered.

Mr. THOMAS of Oklahoma. Mr. President, I am accustomed to addressing the Senate. Time does not mean much to me. I am only too glad to yield to any Senator for the transaction of necessary business, provided the record in connection therewith appears at the close of my remarks.

Mr. TYDINGS. I shall ask that that be done.

Unless these nominations are considered at this time, they will have to be printed in the RECORD, which will involve considerable expense. I ask unanimous consent that, as in executive session, certain routine nominations in the Army, Navy, and Air Force reported unanimously today from the Committee on the Armed Services, be confirmed, and that the President be immediately notified. Among the nominations is that of General Bradley to be Chairman of the Joint Chiefs of Staff, General Collins to be Chief of Staff of the Army, Mr. Voorhees to be Under Secretary of the Army, and Mr. Alexander to be Assistant Secretary of the Army.

The PRESIDING OFFICER. Is there objection?

Mr. CHAVEZ. Mr. President, may I ask the Senator from Maryland what is the hurry about Mr. Alexander and the other civilians?

Mr. TYDINGS. For more than a month there has been only one official in the Department of the Army. There are no assistants. I think the exigencies of the case, both at home and abroad, make it necessary for all these nominations to be confirmed at once.

The PRESIDING OFFICER. Is there objection to the present consideration of the nominations, as in executive session? The Chair hears none. Without objection, the nominations are confirmed; and, without objection, the President will be notified forthwith.

Mr. TYDINGS. Mr. President, I ask unanimous consent, in view of the kind permission granted by the Senator from Oklahoma to have his remarks interrupted, that the interruption be printed at the conclusion of his address. I thank the Senator from Oklahoma for his courtesy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. THOMAS of Oklahoma. Mr. President, I am always glad to yield to any request submitted by the senior Senator from Maryland. When I came to the Congress in 1923 I found the Senator from Maryland already there. We served in the House together for 4 years, and we

walked—I am not sure that it was in step; he was in step, but I am not sure that I was—from the House to the Senate, on the 4th of March 1927. I am glad that we are both still here.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HAYDEN. Mr. President, I wish to comment on the remarks made by the Senator from Oklahoma. So far as the Texas Light & Power contract is concerned, I have no question in my own mind that it is a good contract for both the public utility and the Government. If the other utilities in the area affected are willing to enter into the same kind of contracts, it will be good for them and for the Government.

The difficulty experienced before the committee was, first, that the utilities in the area opposed connecting the several dams. There are some six hydroelectric power developments possible in that area. The nearest local utility wanted to go to the busbar of the particular dam and get the power there. Congress provided the money to connect the dams, because it is obvious that if the power of the six dams is on one transmission line, the Government is going to have more power to sell.

I could not follow the Senator in what appears on the chart before the Senate.

Mr. HILL. Mr. President, before the Senator leaves what he was stating about the other power companies, let me ask him if it is not true that when the Texas Light & Power Co. entered into this contract, the other eight private power companies in that area denounced the contract, said it was a criminal thing to enter into the contract, and have they not for years taken that position? It was only after the House of Representatives put these appropriations in the bill that there was talk about them entering into the same kind of a contract I have mentioned.

Mr. HAYDEN. That was the only difference of opinion there was in the Committee on Appropriations, whether it was advisable to strip the bill of money with which to build any transmission lines, or whether it would be wiser to provide a substantial sum of money, as the House provided, and let the negotiations proceed thereafter. There was money available with which to build transmission lines into Texas at the time the Texas Power & Light contract was entered into, and the transmission lines were not built. That can happen in this instance.

To return to the statement taken from the last annual report of the Secretary of the Interior, of which only an extract appears on the chart, I should like to read what the Secretary did say. He stated:

We must push ahead as rapidly as possible with the development of all practicable hydroelectric power. We need to develop within the next 20 years at least 40,000,000 kilowatts.

The Federal Government probably will need to build at least 80,000,000 of those kilowatts at a cost of \$12,000,000,000 to \$15,000,000,000. This program should include

the St. Lawrence power and seaway which is needed not only for power, but also for transportation. This second need may soon become paramount in order to bring the newly important iron ore from Labrador and South America to American steel plants.

In other words, Mr. Krug was talking about hydro power; not about all power. Obviously that is true, because I have here a statement by Dr. Raver, the Bonneville Administrator, who stated that—

In 1947, the generating capacity of all utility systems in the United States was 52.3 million kilowatts, of which 15 million were in hydroelectric capacity, and 1.3 million in internal combustion engines and 36 million steam.

Dr. Raver's statement continues as follows:

The total undeveloped and economic hydro potential was much greater and was distributed among the 48 States of the Nation and according to the best figures we have been able to get, was 77.1 million kilowatts, of which 28.5 million kilowatts was in the Pacific Northwest, primarily Oregon, Washington, and Idaho, 25.5 million kilowatts are in other States west of the Mississippi River, and 23.1 million in States east of the Mississippi River.

I placed in the CONGRESSIONAL RECORD last Friday a statement from the Federal Power Commission showing the total amount of power of installed capacity in the United States as of 1948, which was 58,000,000 kilowatts, being made up of approximately 15,000,000 of hydro and 40,000,000 of fuel. The estimate of the Federal Power Commission is that by December 1951 there will be 18,000,000 of hydro and 55,000,000 of fuel. In other words, three times as much power is produced by fuel as by hydro. If within the next 20 years we produce the 40,000,000 kilowatts to which Secretary Krug referred, and I hope it will be much sooner, then it is quite certain that by the same time we will produce 100,000,000 to 120,000,000 kilowatts of steam power. The steam power is the power the private utilities generate. The hydro power must come from the great multiple-purpose dams the private companies cannot build or cannot undertake to build.

Mr. President, where I cannot follow the Senator from Oklahoma is when he says that when in this bill we propose to construct some transmission lines and some hydroelectric plants it necessarily follows that we are leading toward socialism, toward statism, toward collectivism, and all that. I cannot follow him at all in that statement, because there is no connection between the two. The Federal Government must continue to develop hydro power at multiple-purpose dams. It has the right under the law, and properly so, to transmit that power in order to serve its customers. But if it develops all the available power, it will not amount to more than one-quarter the power needed in the United States, and, at this moment, when private industry has \$22,000,000,000 and the Federal Government has about \$2,000,000,000 invested in the generation of power, no one can convince me that this Congress or any other Congress could be persuaded to take over all the private power industry in the United States. I think anyone who held such a belief would be utterly mistaken.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CORDON. I wonder, however, if the Senator has covered this aspect of the relationship between the power to be generated at the dams, and power to be generated by fuel, namely, that as to hydroelectric power generated at dams where the flow of water is not regular, we have as a result so-called dump power, which is not salable for any continuous use, except as it may be integrated, or, as the term is used, "firmed" by the use of fuel power? Has the Senator taken that into consideration?

Mr. HAYDEN. I have taken that into consideration. That is why I say the Texas Light & Power Co. contract is a good contract; because the Government has unfirmed hydro power, whereas the private utilities have the steam plants which can firm it, and if the two can work hand in hand, can live and let live, it is, as I pointed out in my remarks of Friday, last, to the advantage of the private companies and to the advantage of the Government to do so. But I cannot, as I said, follow the Senator from Oklahoma when he stated that simply because there is in the bill a proposal to construct some transmission lines and hydroelectric plants, that would mean socialism or statism or collectivism or take us down the road to the ruin of private enterprise. I cannot follow that, because there are not enough hydroelectric possibilities in the United States to do it. When the work proposed to be done is completed it will not represent more than one-third or one-quarter of the power generated in the entire country.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CAPEHART. With the present appropriation and the lines now involved, is it not a fact that there are sufficient transmission lines to serve the people in the region which the appropriation covers, and that the private companies which own the transmission lines are willing to enter into a contract with the Government which will be favorable both to the Government and to the private companies?

Mr. HAYDEN. No; the testimony is to the effect that all the lines needed do not now exist.

Mr. CAPEHART. Did the representatives of the private companies testify that they would build them?

Mr. HAYDEN. Oh, yes. That is the point. The question then is: Somebody must build these transmission lines. If the private power companies, as they have heretofore refused to do, would not transmit the power over their lines, and would not build lines to do it unless they could buy the power at the bus bar, then it is necessary for the Federal Government to construct the transmission lines in order to serve the people. But if an arrangement can be made whereby the private companies, if they have the lines, will use them, or if they do not have them, will build them themselves, that will be a better arrangement for the Government.

Mr. CAPEHART. Does not the Senator believe that where private industries

are willing to build the lines or have the lines available, and a contract to that effect which is both fair and equitable to the Government and to the companies, can be entered into, that is the best thing to do?

Mr. HAYDEN. I do not think there can be any question about that. One hand washes the other. If the hydro power which the Government produces can be firmed by steam plants owned by private industry, and the power can be carried over the lines of private industry and delivered to manufacturers, to co-operatives, to those who are preferred customers of the Government, that is a good arrangement. I am not complaining about it at all. That is all we are considering doing in connection with this bill. If, because the power companies would not cooperate, the Government were compelled to build transmission lines, that would not mean that we would be embarking on a program of state socialism, and that the country would be ruined by such a policy.

Mr. CAPEHART. In this particular instance, though, it is not necessary for the Government to build the transmission lines in order properly to serve both the Government and the public.

Mr. HAYDEN. It has been, up to about 90 days ago, necessary for the Government to build these lines. But the House of Representatives having appropriated the money to build them, now the power companies have changed their minds, and they come forward and say they are willing to build the lines.

Mr. CAPEHART. But at the moment it is not necessary for the Government to do it.

Mr. HILL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HILL. The Senator from Indiana, I am confident, would not wish to make that statement. He does not know that it is not necessary. Only when the Government and the private power companies sit around the table together can we know whether it is necessary for the Government to build the power lines.

Mr. HAYDEN. That is correct.

Mr. HILL. Is it not true that when the Texas Power & Light Co. contract was entered into the representatives of the Government had the money which the Congress had given them to build the necessary transmission lines?

Mr. HAYDEN. That is correct.

Mr. HILL. In other words they were forearmed. The same man, Mr. Wright, who had given him by Congress, the money to build the transmission lines and who entered into the negotiations, and worked out the Texas Power & Light Co. contract, is ready today to sit down with representatives of other companies and see if he can work out contracts to meet particular situations. Everyone knows that conditions are not exactly the same in respect to every contract. It might be said that a contract can be entered into in the spirit and the purpose of the Texas Co. contract, but the identical language of the Texas Co. contract might not fit some other particular area.

Mr. HAYDEN. As I understand, in the Texas area no municipalities are involved. All that has ever been dealt with was service of electricity to rural

electric cooperatives. In the case of a municipality which has taken over local power operations in any of the other areas, there would have to be a somewhat different contract, but the principle is the same.

Mr. HILL. As the Senator said, up until this time the power companies have bitterly fought the Government projects, and denounced the Texas Light & Power Co. contract as criminal. It is only when they sit around the table that we shall know exactly what they will do. Does not the Senator think that when they sit around the table the representatives of the Government ought to sit there forearmed and ready?

Mr. HAYDEN. That is why I feel that the committee should not have cut the appropriation.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CHAVEZ. I agree completely with the Senator from Alabama that up until 90 days ago the power companies would not even talk to Douglas Wright or the Southwestern Power Authority; but they now come before the committee and say, "We are willing to talk." Possibly it was because they were afraid of Congress. All the Senate committee has done has been to say, "If you can satisfy the Southwestern Power Authority or the Government that you will dig into your pockets and build power lines, go ahead and do it; but if you do not, within the next 5 months we can still act. So keep the faith and make a contract which will be satisfactory to the Government and satisfactory to yourselves."

Notwithstanding that I am for public power, that does not mean that I do not want the private utilities to get a fair deal. I do. There is no necessity of going to the taxpayer and asking him to spend great sums of money unless there is a reason. If it is necessary, in order to deliver the power, to ask Congress for money, I am willing to do it; but if we can force the private power companies to build a particular line, I feel justified in saving the taxpayer that expenditure.

Mr. CAPEHART. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CAPEHART. In this instance have we not forced them to do it?

Mr. HAYDEN. That is practically what the representatives of the private utilities said. They said, "We never believed that Congress would actually appropriate the money to build these lines, but the House of Representatives did it, and that being the case we have changed our minds, and now we will make a contract similar to the Texas Light & Power Co. contract."

Mr. CAPEHART. We frightened them into doing what we wanted them to do. Why not be satisfied with that and permit them to go ahead?

Mr. HILL. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. HILL. If the Senate concurs with the House and makes this appropriation available, does not the Senator believe that we shall be in a much better position to force the power companies to enter into contracts which will be to the

benefit of the Government and the private power companies as well as the consumers?

Mr. HAYDEN. It worked that way before.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. HAYDEN. I yield.

Mr. CHAVEZ. I do not take off my hat to any other Senator so far as public power is concerned, but it works both ways. We have forced private power companies to say, "Now we will behave ourselves. We will make a contract." But, by the same token, if we give the money to a Federal Government agency, it may say, "We want to spend it." That has happened before. Give them some money, and they want to spend it. In my own State certain agencies have been boasting that they had to spend the money before the 1st of July. They do not want to let it go back into the Federal Treasury. I should like to exercise a little caution. Let us have some control over both the private utilities and the Government agencies; and if the Government agencies need the money before the 1st of January, let us give it to them.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed, without amendment, the following bills and joint resolution of the Senate:

S. 855. An act to authorize a program of useful public works for the development of the Territory of Alaska;

S. 1949. An act to authorize the lease of the Federal correctional institution at Sandstone, Minn., to the State of Minnesota;

S. 1977. An act to extend the time within which legislative employees may come within the purview of the Civil Service Retirement Act;

S. 2391. An act to authorize the construction, operation, and maintenance of the Weber Basin reclamation project, Utah; and

S. J. Res. 3. Joint resolution to provide that any future payments by the Republic of Finland on the principal or interest of its debt of the First World War to the United States shall be used to provide educational and technical instruction and training in the United States for citizens of Finland and American books and technical equipment for institutions of higher education in Finland, and to provide opportunities for American citizens to carry out academic and scientific enterprises in Finland.

The message returned to the Senate, in compliance with Senate Resolution 153, the bill (S. 51) to amend title 28, United States Code, section 962, so as to authorize reimbursement for official travel by privately owned automobiles by officers and employees of the courts of the United States and of the administrative office of the United States courts at a rate not exceeding 7 cents per mile.

The message also announced that the House had agreed to the amendments of the Senate to the bill (H. R. 3825) to amend the Federal Crop Insurance Act.

The message further announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 2296), to amend and supplement the act of June 7, 1924 (43 Stat. 653), and for other purposes; asked a conference with

the Senate on the disagreeing votes of the two Houses thereon, and that Mr. COOLEY, Mr. POAGE, Mr. ABBITT, Mr. HOPE, and Mr. AUGUST H. ANDRESEN were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes; that the House had receded from its disagreement to the amendments of the Senate numbered 7, 7½, 32, 52, 56, and 76 to the bill, and concurred therein; and that the House receded from its disagreement to the amendments of the Senate numbered 11, 13, 46, 54, 63, 74, 77, and 85, severally with an amendment, in which it requested the concurrence of the Senate.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 79) authorizing Federal participation in the International Exposition for the Bicentennial of the Founding of Port-au-Prince, Republic of Haiti, 1949, and it was signed by the Vice President.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. HILL. Mr. President, the Supreme Court of the United States has spoken of the "great silences of the Constitution." I want to talk today about the great silences of the Interior appropriation bill. What has been left out of this bill is far more revealing than what has been put into the bill.

By careful deletion of certain appropriations the bill would endanger if not change the power policy of the United States Government. Congress has declared over and over again for more than 40 years that public agencies, municipalities, and cooperatives shall be given preference in the sale of public power and that its benefits shall be dispersed on a businesslike basis as widely as possible among the people. Congress has said: This is the people's power and the people shall benefit.

The bill seeks to change this national power policy by denying funds for the construction of public transmission lines from Government dams and even by denying funds for adequate personnel to market Government power. The bill would ignore the public agencies, municipalities, and cooperatives which Congress has declared shall receive preference. It would give private companies first claim to public power. The Government would aid monopoly, not prevent monopoly. And the will of Congress, clearly expressed for nearly half a century, would be reversed.

The public-power policy which this bill seeks to change has its roots in the homestead policy of our country, developed during pioneer days. There were efforts in those early days to have the public lands sold to the highest bidder—to speculators with the most ready cash. Those efforts meant monopoly of the land and the vast resources beneath the land. And those efforts were repudiated.

Our power policy today follows the sound homestead tradition—that the public resources shall be used for the general welfare, to foster business enterprise, to aid the farmer and the workingman, to benefit all the people.

As I have said, this policy is not new, and its application to public power is not new. It was not new when we enacted the Flood Control Act of 1944, for which this bill would provide appropriations. At that time I pointed out that "the power policy of the Federal Government was not developed capriciously. It was hammered out by the Congress in bill after bill relating to the Federal construction of water control and conservation projects and the regulation of interstate streams."

The policy was first stated in an amendment to the Reclamation Act of 1906. It was reiterated in vigorous language in the Raker Act of 1913. In recent years it has been reenacted in the reclamation laws, the Tennessee Valley Authority Act, the Bonneville Act, the Fort Peck Act, and the Flood Control Act of 1944.

Five years ago—in the Flood Control Act—we placed upon the Secretary of the Interior the responsibility for disposing under the power policy of the power produced at water control projects of the United States Army Corps of Engineers. This matter came to the floor of the Senate from the appropriate legislative committee, and it was resolved resoundingly in favor of traditional American policy.

There is a proper procedure for changing our legislative policy, and I commend that procedure to those who feel that our policies are wrong. That procedure, as we know, is to go to the proper legislative committee and ask for changes in the basic law, if need be after hearings and a thorough examination of the entire question. But the American people will not tolerate the dodging of the proper legislative process and a nullification of power policy by the use of stratagems hidden in the details of a complicated appropriation measure.

This appropriation bill does not repeal in forthright language the policy of preference to farmers' cooperatives and public bodies in the sale of public power. The bill does not relieve the Secretary of the Interior of his responsibility for managing Government power properties in accordance with "sound business principles." The bill does not free the managers of the projects of their responsibility to protect the public interest and to carry out our power policy. The laws imposing these responsibilities are left on the statute books. But the bill would deny the funds and the facilities to carry them out. This appropriation bill would say to the Department of the

Interior: "Hang your clothes on a hickory limb, but don't go near the water."

It is my firm belief that to deny the Government's representatives the funds and personnel they need in order to deal with the power companies would be to send them forth naked and unarmed to meet wolves in winter.

The power companies assert here at this last moment that they are prepared to negotiate reasonable contracts. They have professed at this last moment their desire to reach amicable agreements for the equitable distribution and sale of Government power. But the whole history of the struggle for public power has been one of incessant and bitter hostility from the private power companies, of refusal to cooperate, and of determination to destroy public power. The success of their attack on public power through this very appropriation bill warrants caution and vigilance in our dealings with the private power companies.

Little Red Riding Hood can still see the wolf behind grandma's poke bonnet, and Little Red Riding Hood may well exclaim, "Grandma, what big teeth you have!"

Let us take a minor item of \$70,000—certainly minute enough in this day of billion dollar appropriations—to show how devious and subterranean are the workings of this bill.

The President requested \$85,000 and the House allowed \$70,000 for a small organization with very small personnel, to be set up in the southeastern region of the United States to permit the Secretary of the Interior to market the power from dams now under construction and to be constructed by the Corps of Engineers. This item was stricken from the bill.

The denial of this \$70,000 would nullify throughout the Southeast the considered policy of Congress that the benefits of public power shall be spread as widely as possible, that to this end preference shall be given to public agencies and cooperatives in the sale of power, that the Federal Government's investment in power facilities shall be handled in a businesslike manner, and that public power shall not be monopolized by special groups.

The denial of the funds would affect the entire Southeast—Virginia, North Carolina, and South Carolina, Georgia, Florida, Alabama, Tennessee, and Kentucky, and adjacent States.

Ultimately, more than 1,600,000 kilowatts of installed capacity producing power benefits valued at nearly \$27,000,000 a year would be involved. Eight projects costing \$385,000,000 are now under construction, and preliminary engineering has been authorized on other projects costing an additional \$300,000,000. Infinite details of negotiation and management are required in order to produce and market this Government power under sound, businesslike principles. The Department of the Interior has already made contracts with the Tennessee Valley Authority and the Georgia Power Co. Other contracts must be negotiated as the projects are completed.

Such contracts require not only negotiation, but management. One cannot sign a contract for power and then forget it. Every contract contemplates a

continuous service responsibility. The Government must be fully prepared to carry out its obligations from day to day, week to week, month to month, and year to year. There is firm power to be sold to customers whose entire power requirements are supplied by the Government. There is power capacity which will be used only a few hours a day during peak loads. There is secondary power available for extended periods, but subject to interruption during periods of low stream flow. There is dump power available on a when, as, and if basis, during periods of relatively high stream flow. These components of the Federal hydro power supply must be properly coordinated with the generating facilities of the power systems of the region in order that they may do their full job of adding effectively to regional power supply.

Prompt and proper decisions in the operation of the projects require continuous relationships with management and operating personnel of the power systems of the region, both public and private. If public business is to be carried on in a businesslike manner, an adequate organization for that purpose must be on hand in the region. We cannot depend upon a Washington agency, with other duties, to carry out these regional responsibilities on a catch-as-catch-can basis.

The municipalities and cooperatives, the factories and farms, the thousands of people who have come to rely on Government sources for their power supply have the right to expect responsible management on behalf of the Government. The private power companies who rely upon certain Government sources of power, have a right to expect the same responsible management by the Government.

Congress should receive carefully formulated recommendations for the development of the program in the future. Congress should receive regular reports showing the financial and operating results of the power marketing job. Sound management of the public business requires a responsible agency, devoting full attention to the problem.

From this \$70,000 expenditure, the Government will be assured a maximum return on its investment in these multimillion-dollar projects. The people will know that the power generated by Government dams and flowing into homes, farms, and factories is a dynamic force in the economic development of the region and the country.

I have discussed this \$70,000 item in detail because it illustrates so clearly how an apparently minor appropriation has so critical and vital a function in carrying out the power policy of the United States. I have discussed the item because it affects my own region and I am familiar with it.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend the Senator from Montana.

Mr. MURRAY. I should like to ask the Senator if it is not a fact that without the careful survey and report the Senator has been discussing, the result would be that the projects would be ren-

dered more costly and it would not be so easy to repay the cost.

Mr. HILL. Certainly. That is absolutely correct. In other words, without this agency, small as it is, and although its cost will be little, there would be unbusinesslike and wasteful management of property which belongs to the people of the United States.

Mr. MURRAY. And without that supervision, the Government could very readily be charged with negligence and carelessness in supervising the project. Is not that correct?

Mr. HILL. Yes. Not only could the Government be so charged, but whoever charged it would be justified in making the charge.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HILL. I yield to my friend the Senator from Washington.

Mr. MAGNUSON. Of course the Senator from Alabama has said that this item affects his district. However, this policy affects all the power-producing districts in the United States. Is it not true that, in effect, we are saying, "We will provide management in some districts where we have spent Government money to build huge dams for the distribution of Government power, but in other districts we will not provide such management."

Mr. HILL. The Senator is absolutely correct.

As the Senator from Montana brought out, and as has been implied by the Senator from Washington, if this power is to be distributed in accordance with laws now on the statute books, and if it is to be distributed in a proper, sound, businesslike, efficient and effective way, there must be provided the personnel with which to do the job.

Mr. MURRAY. The theory is that it is to be produced at the very lowest expense, so it can be distributed at very low cost to the public, is it not?

Mr. HILL. The Senator is entirely right. But, Mr. President, the item of \$70,000 is only one of a number of serious omissions in the bill. Taken together, the omissions constitute a major attack on public power policy—through the appropriation route rather than the proper route, which is the legislative route.

As I said in the beginning, those who do not believe in our power policy as laid down in act after act and as confirmed in the Flood Control Act of 1944, should go to the proper legislative committee and undertake to have the legislation changed or modified so as to change or modify the policy according to their views.

Let us examine other omissions and deletions from the bill. There seems to have been a careful elimination of appropriations which the private power companies have disapproved. This has not escaped the attention of others. I should like to quote from an article by Peter Edson, Washington newspaperman, which appeared in the *Anniston, Ala., Star* of July 27. Mr. Edson, winner of the Raymond Clapper award for outstanding Washington reporting, wrote:

It is when the testimony of private power company officials before the Senate Appropriations Committee is carefully studied that

the 100-percent effectiveness of their opposition to public power shows up.

James B. Black, president of Pacific Gas & Electric, opposed projects to cost over \$9,000,000. The Senate committee followed his advice on everything except \$2,600,000 to extend a Shasta Dam transmission line on the east side of the Central Valley.

Kinsey M. Robinson, president of Washington Water Power Co., opposed the Bonneville Power Administration Kerr-to-Anaconda, Mont., transmission line. The Senate committee cut it out.

D. C. McKee, president of the Empire District Electric Co. of Missouri, testified in particular " * * * in opposition to a \$10,000,000 expenditure out of the \$30,000,000 proposed to build the lines designated in the (Southwestern Power) Administrator's report as the Missouri group." So the Senate committee eliminated all Missouri group items.

Hamilton Moses, president of Arkansas Power & Light, gave the committee a table showing what the power companies in his area thought should be approved. The committee followed his recommendations except for two minor construction items of \$300,000.

Idaho Power Co. opposed Anderson Ranch switchyards and transmission line projects for \$631,000. Out they went.

Public Service Co. of Colorado opposed three transmission lines running into Valmont, Colo., to cost \$769,000. Out they went.

Montana Power Co. opposed the Havre-Shelby, Mont., substation and transmission line to cost \$1,300,000. Out they went.

Economy could not have been the objective of the deletions. The Department of Interior had asked for a total of \$625,000,000. The House approved \$536,000,000, including the cost of all the transmission lines and power facilities referred to by Mr. Edson. The Senate committee has raised this amount to \$590,000,000. Curiously, it is the appropriations for power development which were eliminated while the Senate committee was increasing the House appropriations.

The bill is a legislative anachronism. It seeks to turn back the clock to the good old days of private-power monopoly. But we cannot and will not turn back the clock. The people today understand and fully support the public-power policy. They know the many benefits of public power and they will not relinquish those benefits.

The people know that the public-power policy is sound business and good government. But the bill does not appropriate funds for the businesslike operation of the Government's power system. The bill would appropriate the people's power for the benefit of the private utilities.

It is sound business for the Government to sell its power to more than one distributor. If the Government does not build transmission lines, or if the agents representing the Government are not prepared if need be to build the lines, the Government is forced to sell its power to the one large private utility in the vicinity that can afford to build a line to the Government's dam. That utility will then have a monopoly. And it can dictate the price it will pay the Government and the price it will charge the people.

Mr. CORDON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Oregon?

Mr. HILL. I yield to the distinguished Senator from Oregon.

Mr. CORDON. The Senator from Oregon is very much interested in following the Senator's statement, but is somewhat confused as to how he has reached his conclusion that the type of contract which is the only one now in existence, and which is generally termed the "Texas Contract," could result in turning back the clock or in failing to give any preference which the law requires, or in anyway doing anything other than getting public power to the ultimate consumer, with the preferences intact, which the law requires. The Senator from Oregon would be helped greatly in his thinking if there were an explanation of the Senator's view in that regard.

Mr. HILL. The Senator has put his finger on the heart of the matter when he says the Texas Power & Light contract is the only one in existence in all the country. Of the many, many Government projects we have been building through the years, of the many private companies having systems all over the country, it is the sole and only contract up to this time which any private company in the United States has been willing to sign. It is the only single instance. On the other hand, we know that up until about 90 days ago private power companies were denouncing the contract. They said it was "criminal" to enter into the contract, and that the contract was iniquitous. We know their whole record of opposition to entering into any kind of contract such as that of the Texas Power & Light Co. We know their whole record of opposition to our public-power program. So I say to the Senator from Oregon, "Come and join hands. Let us go along with the House; let us provide the money to build these transmission lines." Then the agents of the Government can sit around a table armed with the funds, just as Mr. Wright, who negotiated the contract with the Texas Power & Light Co., was armed. He had the money in his hand, and the Texas Power & Light Co. knew that if they did not arrive at a fair and reasonable contract, Mr. Wright would build the lines. Let us arm our representatives, and, then, so far as I am concerned, I have no objection to our representatives sitting around the table and seeing if they can get fair and reasonable terms which will carry out the power policy laid down in the Flood Control Act of 1944. I hope my distinguished friend from Oregon will join me in this. I think by so doing we shall not only safeguard the power policy laid down in the Flood Control Act of 1944, but we shall have the best chance to get a contract which will bring the most benefits to the people.

Mr. CORDON. Mr. President, will the Senator further yield?

Mr. HILL. I yield further to my friend.

Mr. CORDON. Does the Senator from Alabama agree that the Texas contract is a provident contract and in the public interest?

Mr. HILL. So far as I know—I have not given detailed study to it—that contract is in the public interest for the particular area and particular situation which it serves. I will say to the Senator that I have no objection to entering into a contract which carries out the letter and the spirit of our power policy and which is in the public interest. But though I agree with my friend, I ask him not to be so rosy hued in his optimism as to think that the agents who represent the people of the United States can go unarmed to negotiate these contracts.

Mr. CORDON. Will the Senator further yield?

Mr. HILL. I yield to my distinguished friend from Oregon.

Mr. CORDON. Is the Senator aware of the record, which is, that in the Southwestern Power Administration situation the Administrator, Mr. Wright, asked the Appropriations Committee to recommend and the Congress to grant a very considerable amount of money—as I recall it was \$25,000,000; it may have been more—and presented a picture of a complete grid of transmission lines in the Southwest area, and the Senate committee did not recommend the appropriation? As a matter of fact, Mr. Wright was not armed with that vast amount of money, due to the fact that it had not been appropriated to him at the time he negotiated the contract.

Mr. HILL. Mr. Wright was armed with the money he needed when he negotiated with the Texas Light & Power Co. The appropriation had been made. What Mr. Wright needs now is the appropriation which the House of Representatives put into this bill, some \$9,000,000, and that is what I am asking the Senator to join me in getting for Mr. Wright.

Mr. CORDON. The Senator will recall that the Senate committee, in its report calling attention to the Texas contract, directed that attempts be made to secure that type of contract from the companies, and directed that a report on the situation be made by the first of the year. The Senate Committee on Appropriations, in taking that view—and the Senator from Oregon also took that view—felt that, inasmuch as a contract which seemed to be sound, in the public interest, and in the interest of economy, so far as we, who were not experts, could determine, had been worked out in that area, and the companies, finding they were face to face with Old Man Necessity—there can be no question about that—had indicated that they were prepared to go along with similar contracts, an opportunity should be given to those companies to prove by their actions what they had said by their words, and likewise an opportunity should be afforded the Government's representatives to act accordingly. The committee felt further that the Congress should have an opportunity at the end of a reasonable period to look into the matter and see if the parties had gotten together, and, if they had not gotten together, to see who was in error. Would the Senator feel that that is a sound approach, under the circumstances?

Mr. HILL. I am afraid the Senator has not heard what I have stated this afternoon, or else I did not make myself

clear. I certainly would not think that was a sound approach. These projects are coming into being and it is the duty of the Secretary of the Interior, under the law, to make disposition of the power. What the Senator proposes, even if the appropriation were finally made, might cause all kinds of delays. The Senator is familiar with what delays mean. We are now considering this appropriation bill, more than 6 weeks after July 1, when that date was supposed to be the deadline. The Senator knows that the Senate of the United States cannot even initiate an appropriation bill; it cannot act until a bill comes over from the House of Representatives. As a practical proposition, knowing the history of appropriations, as I do, this would open wide the door for all kinds of delays for months and months. In the meantime, there is tremendous pressure on the Secretary of the Interior to negotiate some kind of a contract, because water is going to waste over the dam, and there would be loud and raucous protest that the Department of the Interior was permitting the Government power to go to waste.

Let the representatives of the Government enter into negotiations. If the private power companies do not negotiate in good faith what they promise, the Government's representatives will be armed and able to act to protect the public interest and to carry out the Government's power policy for the benefit of the people.

Mr. MURRAY. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. Long in the chair). Does the Senator from Alabama yield to the Senator from Montana?

Mr. HILL. I yield.

Mr. MURRAY. The chief object to be gained through the public-power policy is the low-cost power. The Senator knows what low-cost power has done for Oregon and the Pacific Northwest. In dealing with private utilities, as the able Senator has very well said, the Government must be so armed as to make a good bargain with them. Most of the private utilities are so overcapitalized that it is impossible for them to sell power at rates sufficiently low to develop business in the area. Take, for instance, the Montana Power Co. In an examination and investigation by the Federal Power Commission a year ago, it was found that the company had watered stock to the extent of more than \$50,000,000, and it is a small corporation. The companies are all overcapitalized. The Senator knows what the situation was when we were considering the holding-company bill. If we had not had the Holding Company Act in the depression following the 1929 crash, this country would be in a much more dangerous condition than it is in today.

Mr. HILL. The Senator is correct when he says many of the private companies are loaded down with watered stock on which they must make some kind of a return. They have to continue to carry the stock and to provide dividends on it. The investigation by the Federal Power Commission showed exactly what the situation was and what

we face when we have to deal with private power companies.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. HILL. I yield.

Mr. MAGNUSON. Is it not also correct that at this time, in two instances, the Interior Department is attempting to enter into a contract in Idaho and into contracts in other sections of the Pacific Northwest? In the middle of negotiations the Appropriations Committee knocks out the only weapon the Interior Department could have to deal with the parties. Under those circumstances, what kind of a contract can the people expect?

Mr. HILL. To send our agents out without giving them the funds with which to deal with the companies is like sending out sheep to meet wolves in winter.

Mr. MAGNUSON. Does the Senator agree with me that they denounced the Texas contract as criminal?

Mr. HILL. Not only did they denounce it, they kept on denouncing it year after year. They said it was criminal and declared it to be iniquitous.

Mr. MAGNUSON. I wonder what their attitude will be with regard to attempting to carry it out even after they sign it.

Mr. HILL. If we are to protect the interests of the people, if we are to safeguard the principles of the power policy, we must forearm the representatives of the people with these appropriations when they go in and sit around the table with the representatives of the private power companies.

As a business proposition, it is absurd to put the Government's negotiators behind the eight-ball of a policy that requires them to sell Government power through one private power company. No sane businessman, if he wanted to stay in business, would voluntarily limit himself to a single outlet for the distribution of his product. And no farmer who wanted to get a decent price for his crops would pile them at the side of the road and wait for a chance buyer to come along.

It is good government to develop our rivers for multiple purposes—for navigation and commerce, for flood control and irrigation, and for electric-power production. The multiple-purpose job must be done by the people acting through their Government. It cannot be done by private companies.

It is good government to sell the people's power as cheaply as possible. Cheap power means that more power will be used by more people, and there will be more returns to the Federal Treasury.

TVA—which only the other day added its millionth customer—has taught this lesson. The people of the Tennessee Valley buy and use 10 times as much power as they used before TVA with its reasonable rates. They pay more taxes and buy more goods produced in other States. Last year they bought \$50,000,000 worth of electrical appliances alone produced in plants outside the Tennessee Valley. The same story is reflected in the tremendous consumption of low-cost power from the Bonneville and Grand Coulee Dams.

The benefits of cheap power and the benefits of multiple-purpose river development flow from one State and one region into all the States, and contribute to the growth and prosperity and strength of the entire Nation.

Abundant low-cost power means that America can decentralize her industries and manufacturing centers, so necessary in this day of the atomic bomb. Low-cost power means a balance between city and country, between agriculture and industrial production. The day of industrial concentration, with slums and disease and crime, is nearing its end. Cheap electric power is bringing a new day of industry spread through the land.

Power transmission lines are the new highways of this progress. They are the modern roads over which our country continues to advance, the roads over which the underdeveloped regions move to fuller use of their manpower and their resources.

We must provide the funds required to make certain that the power policy of the Nation shall be carried out. American progress will not pay tribute on the private toll roads of monopoly.

REORGANIZATION PLAN NO. 1

Mr. TAFT. Mr. President, I wish to make a brief statement in support of the resolution disapproving Reorganization Plan No. 1, in order that the statement may be in the RECORD, and may set forth the opposition of those of us who think the plan should be disapproved.

I think the statement is particularly necessary because the President of the United States, in addition to his message submitting plans 1 to 7, inclusive, has seen fit to intervene in the legislative process by writing a special letter to the Vice President, which appears in Friday's RECORD. The President disapproves of and objects to the action of the Committee on Expenditures in the Executive Departments recommending rejection of plan No. 1 and plan No. 2. He makes the statement that the important changes which would be effected by these two plans were unanimously recommended by the Hoover Commission, and that their rejection would be a real set-back to the effort to reorganize the executive branch of the Government.

Mr. President, I do not like to leave that statement unchallenged. I wish to state briefly to the Senate the reasons why in my opinion plan No. 1 flies directly in the face of the recommendations of the Hoover Commission, and why its adoption would make impossible for years to come the carrying out of the Commission's recommendations.

We are approving many parts of the Hoover Commission plan. We have passed a bill for the reorganization of the armed services substantially in accordance with that plan. We have passed a bill creating a general service agency. Within 1 or 2 days, and without objection, I think, plans 3, 4, 5, and 6 will be approved. While plan No. 2 is contrary to congressional policy, both of the Seventy-ninth and Eightieth Congresses, it does not controvert the Hoover report. I do not know what action will be taken on it.

Plan No. 1 creates a new Department of Welfare containing all the major functions of the Federal Security Administration. It does not reorganize. It simply makes a department out of the Federal Security Administration, and a Cabinet officer out of the Administrator. Furthermore, it provides that all of the functions of the officers and constituent units of the Department, including those functions conferred expressly by Congress on the Office of Education, on the Surgeon General of Public Health, and on the Social Security Administrator, are transferred to and consolidated in the new Secretary of Welfare. Under this plan he is given every power to direct in every detail all the functions which we have conferred on these various departments.

Section 2 (b) of the plan reads:

All of the functions of the Department of Welfare and of all officers and constituent units thereof, including all of the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare.

The Secretary is given complete power to set up his Department any way he pleases, to mix welfare, health, and education as he sees fit and to subordinate health and education to welfare to an even greater extent than he can now do as Federal Security Administrator.

I do not know what the position of the Advisory Council may be, but the plan takes all the powers we have conferred on different officers in these fields, and transfers them to one man, who therefore becomes the dictator in the whole field of education, in the whole field of health, and the whole field of welfare.

In view of his public statements and actions, there can be no doubt that he would completely subordinate health and education to welfare. Doctor Parran resigned as Surgeon General and Mr. Studebaker as head of the Office of Education, largely because no independence was left to them in their proper functions. This gives even greater power to the new Secretary, as compared with that which the Federal Security Administration now has.

The Hoover plan recommends a Department of Welfare and Education, but it recommends a separate medical administration and excludes health from the new Department.

It is said, Mr. President, that health can be taken out of the Department later on; that later on a separate medical administration can be created. That is not true, because Mr. Ewing, and therefore, presumably, the President are opposed to it. Mr. Ewing has frankly stated in the letter which he wrote that he is opposed to the creation of a separate medical department. His testimony shows very clearly that he disapproves that part of the Hoover recommendation. He said in his letter:

I am unalterably opposed to the recommendation to transfer the Public Health Service to an independent United Medical Administration and I feel that any plan to consolidate hospital functions at this time would be premature.

Mr. Ewing reiterated that statement in his testimony before the committee. So we know that if we ever create this de-

partment Mr. Ewing, the head of it, will be absolutely opposed to setting up any independent medical administration.

Obviously, therefore, no plan is ever going to be submitted setting up any separate medical administration. Obviously, Congress cannot successfully pass a bill setting up such an administration because it can be vetoed, and will be vetoed, if we have once voted affirmatively respecting plan No. 1, and Mr. Ewing has become a Secretary in the Cabinet of the President.

Mr. President, it is said that a medical administration can be set up only by statute and that therefore it was not included in this plan. That in my opinion is absolutely untrue. If the Federal Security Administration can be made a department, without any special reference in the Reorganization Act, then certainly the Public Health Service can be made a separate medical administration to which other functions can then be transferred. I think many Senators did not realize that a new department could be created under the Reorganization Act, but it is admitted that this extreme power was given by that act. But if that power was given, certainly the power was also given to take the Public Health Service out of the Department and set up a separate medical administration.

I might add at this point that, in analyzing the requirements of the Hoover plan, the Budget Commission has listed the things for which legislation was necessary and reorganization plans are necessary. All the important features of the United Medical Administration are covered by reorganization plans. The only substantive legislation required is that defining the beneficiaries entitled to medical care by the Government, which, after all, is something we know could only be done by Congress in any event.

Mr. President, the reorganization plan combines three functions: Health, welfare, and education, which are completely distinct in purpose, in theory, and in practice. At the State and local levels, where the main work is done, they are always separated. Education is usually separated, even from local government in our States, in order that it may be entirely independent. Many States elect a separate director of education. Welfare and health are separate in nearly every State and local government I know of. The Hoover Commission says they should be separate.

Two years ago the Senator from Arkansas [Mr. FULBRIGHT] and I introduced a bill to create a new Department of Health, Welfare, and Education, but only because we did not feel there could be three new separate departments. We carefully provided that each one of these functions be placed in an autonomous section, under a separate Under Secretary, reporting directly to the Cabinet officer, who was not given a whole raft of secretaries and under secretaries. By statute we assigned all matters relating to health to an Under Secretary of Health, all those relating to welfare to an Under Secretary of Welfare, and all those relating to education to an Under Secretary of Education. We put those departments under those Under Secre-

taries so they could not be shifted around. We gave, as I said, practically autonomous rights to those three departments. The Secretary became a representative of those three groups in the Cabinet of the President of the United States, where I think there ought to be someone to speak for health, welfare, and education.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. Was not that bill in a sense very much like the reorganization bill relating to the armed services, in recognition of the importance of these various services, and in an effort to try to maintain the integrity of the various services?

Mr. TAFT. Yes. I think it is important that the integrity of health, welfare, and education be maintained; I think it is far more important to keep them separate than to keep separate the Army, the Navy and the Air Corps. The latter have exactly the same purpose. The functions of health, welfare, and education to my mind are completely independent and are only grouped because they are functions in which the Federal Government has only a secondary interest. The primary interest is in the States and local governments. They must do the main work of administration in those fields. Since the Federal Government has a secondary interest only, it seemed to us that it might be fair to put them all under one Cabinet officer. We could not have three separate Cabinet officers.

Mr. FULBRIGHT. Mr. President, will the Senator again yield?

Mr. TAFT. I yield.

Mr. FULBRIGHT. If the Congress and those in the administration have seen the necessity for keeping separate the Air Force and the Navy, for example, in order to prevent some admiral, we will say, from dominating the Air Force and thereby the Air Force losing its efficiency, I think even more so that principle is applicable in the field we are now discussing.

Mr. TAFT. The Senator is entirely correct. If authority over all three of these agencies were vested in a Secretary he would, I believe, become the most powerful figure in the Government so far as domestic affairs are concerned.

The Federal Security Administration has increased its expenditures from \$743,000,000 in 1946 to \$1,500,000,000 in 1950.

The Hoover Commission's task force on public welfare recognizes clearly that the proposed department should be separated and the power centered in the three bureau chiefs. That task force on public welfare, much as they are interested in welfare, came to this conclusion:

In a multifunctional department the bureau chiefs are the real directing heads of actual operations—

In a multifunctioning department, one where there are three entirely separate functions—

especially if the bureaus are engaged in professional or scientific fields. They should be and often are selected primarily on the

basis of their professional attainments and standing.

Our recommendation would be that no steps be taken which would reduce the status and prestige of the chiefs of the professional bureaus in the Federal Security Agency. The positions should attract the best, and opportunity for professional leadership and influence is perhaps the most attractive feature of these positions.

The new Secretary could not be an expert in health, in welfare and in education at the same time. Nor could he properly study and develop the knowledge necessary to cover all three of those fields. He is most likely, of course, to be a man interested in welfare, to whom health and education are entirely subordinated. The new plan does not carry out the purpose of the Reorganization Act. Far from reducing expenditures, it will lead to increased spending. Not one cent of saving will result. If the Federal Security Administration were raised to a department it would be bound to add many officers and increase the cost and expense. Far from increasing the efficiency of the operations of the Government, it would subject all of these departments to political control. It does not group agencies "according to major

purposes," in the terms of the Reorganization Act. It does not consolidate agencies for similar functions or abolish a single agency or function. It does not eliminate overlapping or duplication of effort. It contains one rather curious provision making the Federal Security Administrator the Acting Secretary of Welfare for a period of 60 days, receiving the compensation of the Secretary of Welfare. Apparently the Federal Security Administrator cannot wait for confirmation by the Senate. Clearly no man should become Acting Secretary of Welfare until his name has been submitted to the Senate and given consideration. The Reorganization Act does not contemplate that any Cabinet officer act as such without confirmation by the Senate.

The rejection of this plan will not be any set-back to the adoption of the Hoover plan. It will be a warning to the departments that they cannot have their cake and eat it too. I submit for the RECORD a summary of the replies of the various departments to the Committee on Expenditures in the Executive Departments, and ask that it be incorporated in the RECORD at this point as a part of my remarks.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

COMMENTS OF DEPARTMENTS AND AGENCY HEADS ON THE HOOVER REPORT

All departments and agencies of the executive branch have studied the recommendations of the Hoover Commission. The comments of almost 30 departments and agencies have been submitted to Senator McCLELLAN, chairman of the Senate Expenditures Committee. These comments have been printed or summarized in the CONGRESSIONAL RECORD. The reaction of most of the department and agency heads was very unfavorable. This attitude constitutes a very serious threat to effective reorganization.

In its final report to Congress, the Hoover Commission warned:

"It is natural to expect vigorous opposition to reforms from agencies and groups, each of which approves heartily of reorganizations that do not affect its own immediate interests. The Congress must be prepared to accept this fact and give careful attention to the validity of arguments of those who would seek to escape reorganization, as many have so successfully done in the past." (Concluding Report, p. 47.)

The most vigorous opposition to the Hoover report is represented in the comments of the following departments and agencies:

FEDERAL AGENCY

Department of Agriculture.

Civil Aeronautics Board.

Civil Service Commission.

Federal Deposit Insurance Corporation.

Federal Power Commission.

Federal Security Agency.

Federal Trade Commission.

EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS APPROVED

Two additional Assistant Secretaries and an Administrative Assistant Secretary; increased authority for Secretary to control Department.

Increased salaries for Board members and staff assistants.

Development of standards for department and agency personnel offices if sufficient funds are provided for this additional function; increased salaries for agency heads; sabbatical leave for certain Government employees; Chairman of CSC to be Director of Personnel in the Executive Office of the President.

No approval of any Commission recommendation indicated.

Salary increases for Commissioners, Board and staff members.

Transformation of the FSA into a Department of Welfare; higher salaries for top-level officials; increased authority of agency heads over their organizations; transfer of Bureau of Indian Affairs from Department of Interior to FSA.

Increased salaries; greater control over Commission personnel transactions.

EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS DISAPPROVED

Proposals estimated to save \$44,000,000 a year, including discontinuance of certain lending activities of Farmers' Home Administration; consolidation of that Administration with Farm Credit Administration; creation of a single departmental regulatory service; prohibition against committees of farmers serving any capacity other than advisory.

Separation of regulatory functions and business functions by transfer of latter to Department of Commerce; development of over-all route programs for air transportation by Department of Commerce; payment of air-mail subsidies by open appropriation from tax funds rather than by way of hidden subsidies imposed on the Post Office and mail users.

Mandatory requirement that each department or agency head have director of personnel on his management staff; further decentralization of examining and recruiting personnel.

Transfer to FDIC to the Treasury Department.

Transfer of power planning functions to Department of Interior; investigation of natural gas resources be given to Interior; increased power for Chairman; supervision by Budget Bureau of publications and statistical activities.

Transfer of Public Health Service and Federal hospital functions to a United Medical Administration; transfer of functions under the food and drug laws to Department of Agriculture and an independent medical agency; transfer of Bureau of Employees Compensation and Employees Compensation Appeals Board to Labor Department; retention of Railroad Retirement Board as an independent agency; continued administration of educational exchange program by State Department.

Transfer of regulatory functions relating to food products to Department of Agriculture; transfer of drug regulatory functions to a United Medical Administration.

FEDERAL AGENCY

Housing and Home Finance Agency.

United States Maritime Commission.

National Advisory Committee for Aeronautics.

Reconstruction Finance Corporation.

Selective Service System.

Veterans' Administration.

EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS APPROVED

Increased salaries; transfer of Veterans' Administration home loan guaranty activities to HHFA; greater decentralization of personnel transactions now performed by Civil Service Commission; transfer of Federal National Mortgage Association to HHFA.

Higher salaries for Commissioners and other top-level officials; additional power to delegate authority.

The Commission's personnel management recommendations, including pay raise, and the Hoover report on supply activities and budgeting and accounting.

General approval of the Hoover report on budgeting and accounting, and the report on personnel management recommending higher salaries and greater control over personnel transactions.

No approval of any part of Hoover report indicated.

No approval of any part of Hoover report indicated.

EXAMPLE OF HOOVER COMMISSION RECOMMENDATIONS DISAPPROVED

Congressional approval of expenditures for capital additions; congressional restrictions on direct loans; placement of housing construction functions in Department of Interior; establishment of a National Monetary and Credit Council; transfer of Office of Housing Expediter to HHFA.

Separation of regulatory and business functions by transferring the latter (ship construction, operation, charter, and sale) to Department of Commerce; development of water route programs by Commerce rather than United States Maritime Commission; determination of minimum wages for seamen removed to Labor Department; establishment of a clear line of authority from the President down to subordinate units of the executive branch.

Transfer of NACA to the Department of Commerce; authority in General Services Agency over specialized procurement.

Every specific recommendation of the Hoover Commission which applies to RFC; general recommendations concerning charters for Government corporations.

Transfer of the Selective Service System to the Department of Labor.

Virtually every specific recommendation applying to VA, including: Creation of a veterans' life insurance corporation; transfer of home loan guaranty program to HHFA; transfer of medical functions to an independent medical agency; transfer of hospital construction functions to Interior; and centralization of public buildings management functions in the General Services Agency.

The Hoover Commission predicted that many departments and agencies would bitterly oppose effective reorganization. The power of an entrenched bureaucracy has been strong enough to nullify the reorganization efforts of every President from Taft to Roosevelt. The comments of most of the major departments and agencies show that they will support only the expensive recommendations such as those dealing with increased salaries, additional personnel, and additional powers. They will oppose the money-saving recommendations of the Commission, represented principally in the consolidation of functions scattered throughout the executive branch, and in the discontinuance of certain activities. If the departments and agencies are permitted to take only the plums in the Hoover report, the cost of Government will be increased substantially without any increase in efficiency.

The Hoover Commission warned of the dangers of partial or half-hearted implementation of its recommendations. It is only fair to demand that department and agency heads who seek the benefits of the Hoover report must also accept recommendations which may not advance the interests of their own empire. More than half of the Commission's recommendations require no specific legislation. Accordingly the initial responsibility for resisting the pressures of departments and agencies lies with the President. In the Reorganization Act of 1949, Congress vested in the President extremely broad reorganization authority without any crippling exemptions or exceptions. Unfortunately, the hostile attitude of some departments and agencies toward the Hoover report has already been reflected in the action of the President.

For example, in Reorganization Plan No. 6 of 1949, the President adopted several minor recommendations of the Commission relating to the United States Maritime Commission. The most important recommenda-

tion from the standpoint of economy and efficiency was the separation of regulatory functions and business functions. The Hoover Commission recommended that the business of building, operating, chartering, and selling ships be transferred to the Department of Commerce. The transfer of business functions to the Department of Commerce could have been made by the President in accordance with his authority under the Reorganization Act of 1949. Apparently, the objection of the Maritime Commission prevailed.

Reorganization Plan No. 1 of 1949 faithfully carries out Federal Security Administrator Ewing's opinion of these Hoover Commission recommendations which deal primarily with the functions of his agency. The plan converts the Federal Security Agency into a Department of Welfare. It confers on the Secretary of Welfare additional authority over welfare, health, and education activities. The Hoover Commission recommended that certain nonwelfare activities be transferred to other departments or agencies. Mr. Ewing recommended that these nonwelfare activities be retained in a Department of Welfare. They were not disturbed by Reorganization Plan No. 1. Although the President provided in Reorganization Plan No. 2 for the transfer of the Bureau of Employment Security from the Federal Security Agency to the Department of Labor, this recommendation of the Hoover Commission was not opposed by Mr. Ewing.

Some Federal agencies, which by reason of their size or the peculiar character of their work are little affected by the Commission's recommendations, approved the Hoover report. Generally favorable comments were also made by heads of departments which would lose no functions if the Hoover Commission recommendations were adopted.

Mr. TAFT. Mr. President, this summary is very interesting. All the depart-

ments in their reports accept the things which they like and reject the things which they do not like. For example, the Department of Agriculture approves these recommendations of the Hoover Commission: Two additional assistant secretaries and an administrative assistant secretary; increased authority for Secretary to control Department. It rejects proposals estimated to save \$44,000,000 a year, including discontinuance of certain lending activities of the Farmers Home Administration; consolidation of that Administration with the Farm Credit Administration; creation of a single departmental regulatory service; and prohibition against committees of farmers serving in any capacity other than advisory. It rejects everything that makes any economy. It accepts things that it likes.

The Civil Aeronautics Board approves increased salaries for Board members and staff assistants, but rejects every other proposal of the Hoover Commission.

There will be inserted in the RECORD reports of the various bureaus, in every case saying, "This we like, and that we do not like." So if we accept uncritically the plans which are presented, we shall find that we have picked out those things which are pleasing to the departments, and left out all the things that they do not like. Once they get the things they like, there will be no effort and no interest in carrying out the effective parts of the Hoover Commission recommendations.

We cannot give the departments the things they want and then ever hope to

impose on them those matters which they regard as unpleasant. Even in the State Department bill it will be remembered that they added the assistant secretaries recommended by the Hoover report, but they did not abolish the office of General Counsel and one other office which the Hoover Commission recommended should be abolished.

The General Service Agency takes in the Federal Works Agency, but does not face the problem of setting up a Department of Public Works, which is such a knotty problem.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. LUCAS. Does the Senator from Ohio disagree in any degree at all with the Hoover Commission's recommendations? Does he take everything the Hoover Commission has recommended, and swallow everything that is handed down?

Mr. TAFT. I do not think I would; no. The important point I wanted to make today is that this plan is in violation of the Hoover plan. That is the point I am anxious to make at this time. I shall discuss tomorrow at greater length all the details, and will be glad to answer questions. I am glad to answer questions now.

Mr. LUCAS. I am glad to know that the Senator from Ohio does not agree with everything the Hoover Commission has recommended, yet he is criticizing the administration for disagreeing with the Hoover Commission. At the same time, he tells the Senate and the country that he does not agree with everything the Hoover Commission recommends.

Mr. TAFT. I am delighted to have the Senator point out that the Senate should examine the plans submitted, and should not accept them merely because they happen to be in full accord with the Hoover plan. That is exactly the critical examination which I think we should make of this plan. I am fully in accord with the Senator from Illinois.

Mr. LUCAS. I am in accord with the Senator from Ohio, but the Senator has been using the Hoover Commission's recommendations in his argument to tear down Reorganization Plan No. 1 and other similar plans which have been submitted by the President.

Mr. TAFT. The only reason I have done so is that the President of the United States sent a letter which was inserted in the RECORD, which stated that if we disapprove this plan, just as it is, we shall be discrediting the Hoover plan, and the President could not go forward with it. That simply is not true. My whole purpose in speaking this afternoon is to dispute that statement. I am delighted to have the Senator feel also that the President's position is not correct in that respect.

Mr. LUCAS. I wish to make one or two statements. Now that the able Senator from Ohio has taken the leadership away from the Democratic Party upon this very important issue, and has seen fit to deliver a speech on this important question, I am sure that he has spoken for those who are against Reorganization Plan No. 1. As a result of the

speech which he has made this afternoon, it seems to me that we ought to get a limitation of debate when we come back here tomorrow.

Mr. TAFT. I should be inclined to recommend a limitation of debate.

Mr. LUCAS. I am sure the Senator would, after making his principal speech this afternoon, before the reorganization plan is even before the Senate. I am very glad that he has done so, if it will save some time. The Senator from Ohio cannot add very much to what he has said this afternoon, even though he goes into great detail.

Mr. TAFT. I thank the Senator.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. MURRAY. Mr. President, I ask unanimous consent to have inserted at this point in the RECORD, two items which I send to the desk, which will contribute to our thinking on Reorganization Plan No. 1.

The first is a letter by Dr. Mattingly, of Washington, which illustrates some of the irrelevancies which have entered the discussion of this matter. The second is a column by Doris Fleeson which closes on a provocative note. Some of my colleagues may be thinking of voting against the plan at the behest of a misinformed medical society which thinks that by reorganizing the executive branch of the Government on a more efficient basis, we are abdicating our right to legislate on matters of health. Of course, this claim is absolutely unfounded and irrelevant. However, should it be offered tomorrow, I shall watch with interest to see if those espousing that argument show the intellectual consistency to which Miss Fleeson refers. I shall watch to see with what equal promptitude and fervor they move to do away with the medical care now made available to Members of the Senate on terms which must be much more objectionable to medical societies than is Reorganization Plan No. 1.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

WELFARE DEPARTMENT

Ernest E. Irons, M. D., president, American Medical Association, and the editors of the Washington Post take opposing views re the President's Reorganization Plan No. 1 (July 29).

Our AMA wants a Federal department of health headed by a physician of Cabinet rank. The Washington Post advocates coordinating all the Nation's problems of health, education, and social security under a new department of welfare. It would not require the administrator to be a doctor. But it would require him to be an acknowledged expert in all phases of social engineering pertaining to culture and the economics of democratic survival.

Dr. Irons fears the President's reorganization plan will make America over in the bankrupt pattern of the welfare state. He implies that the drift to the welfare state can be avoided. If he so believes Dr. Irons is blind to the tumultuous and irresistible forces of history about him. The welfare state is unavoidable. It is either that or the slave state.

The welfare state is the lesser evil. For this Nation, its mind, heart, and conscience will be determined by the future department of welfare. Our job is to make that conform to democratic ideals and traditions.

The essential characteristic of any welfare state is administrative government. By its very nature it is a denial of representative government. We must revert to a rule of men through the appointive power of our Chief Executive. Theoretically these appointees are exemplary servants of policy. In practice they are a cynical means of paying political debts. Given administrative power they soon conspire to become makers and masters of policy. This is how a political dictatorship would come to power in this country.

If politicians like Mr. Ewing are to be key administrators in the inevitable welfare state let organized medicine be vigilant and resolute in denying his policy-making powers. We do not question Mr. Ewing's skill as an administrator nor that the President is deeply in his debt. We do deny he is an acknowledged expert in all phases of social engineering pertaining to culture and the economics of democratic survival.

THOMAS E. MATTINGLY, M. D.

WASHINGTON.

[From the Washington Evening Star of August 11, 1949]

POWERFUL MEDICINE—COALITION FIGHT ON EWING IMPERILS PLAN TO COMBINE WELFARE ACTIVITIES

(By Doris Fleeson)

Because Oscar Ewing, Federal Security Administrator, loyally supports President Truman's Fair Deal, including the health program, Reorganization Plan No. 1 is in peril.

Plan No. 1 combines all welfare activities in a Department of Welfare. It brings to fruition years of nonpartisan effort which culminated in the Reorganization Commission headed by Herbert Hoover. Mr. Hoover has testified that it is a step in the right direction and substantially in accord with his recommendations.

It is known that Mr. Truman would name Mr. Ewing Welfare Secretary. Obviously, Mr. Ewing could not administer any health program Congress did not first enact and Congress has not yet seen fit to enact one.

Actually the fight on Mr. Ewing represents another bold attempt by a Republican-southern conservative Democrat coalition to dictate personnel or policy to the White House which is has failed to capture in free elections for 20 years.

TAFT ONE OF AUTHORS

Senator TAFT is one of the authors of the resolution to disapprove plan No. 1, the others being Democrats—HUNT, of Wyoming, a dentist; and FULBRIGHT, of Arkansas. Senator TAFT has made tentative attempts to make defeat of plan No. 1 a matter of Republican policy but has been rebuffed, many Republicans feeling it would constitute a repudiation of Mr. Hoover.

Democrats will not even ask the President to withdraw Mr. Ewing's name; they agree with him that Mr. Ewing has earned the post. But they fear the powerful medicine mixed by the American Medical Association against the Truman bill and its defender, Mr. Ewing.

The AMA propaganda is well financed, widespread, and above all, respectable. Southern Democrats can cite it without mentioning that Mr. Ewing, in appointing a colored woman as his special assistant and colored doctors to Federal hospital staffs, is actually practicing the civil-rights plank in the Democratic platform.

Notably Senator HOEY, of North Carolina, is one of four Expenditures committeemen who voted against the disapproval resolution. The others: Republican MARGARET CHASE SMITH and Democrats HUMPHREY and TAYLOR.

Voting to report the plan unfavorably were Democrats EASTLAND, ROBERTSON, and McCLELLAN, all southerners, and Republicans MCCARTHY, IVES, MUNDT, and SCHOEPEL. Their argument is said to be that Mr. Ewing

is bound to be Secretary of Welfare and that putting so stout a champion of the Truman program there would give it great momentum.

NOTABLY SUCCESSFUL

Truman appointments are too often vulnerable from the competence standpoint. Mr. Ewing, however, cannot be attacked as a lame duck, a profession liberal, or a Government careerist who never met a pay roll. He is a notably successful New York lawyer, formerly counsel for the Aluminum Co. of America. As former Democratic vice chairman, he did many important and delicate tasks for his party.

Senators, of course, are not against socialized medicine for Senators. They, and Representatives too, enjoy the unremitting attentions of a doctor chosen by them and paid by the taxpayers, Dr. George Calver, whose office is in the Capitol. When they need hospitalization, the taxpayers generously provide completely free treatment by some of the country's finest doctors in the superb Army and Navy hospitals here.

To paraphrase Samuel Butler, Members of Congress would be almost as much horrified at hearing socialized medicine preached as they would be to see it discontinued in their case.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. ELLENDER. Can the Senator tell us what position the Hoover Commission, or any member of it, took as to Reorganization Plan No. 1? Has it taken sides?

Mr. TAFT. I do not believe that the Hoover Commission took any official position. I understand it did not. In effect, it seems to me that the plan which is submitted carries out the recommendations of the minority of the three members of the Hoover Commission. In effect they did not want to set up a separate medical administration. As I see it, this plan simply carries out the recommendations of the minority of the Hoover Commission.

Mr. ELLENDER. The Senator stated a while ago that if we were to give the Federal Administrator Cabinet status, it would increase his power. Can the Senator tell us in what respect?

Mr. TAFT. Under the terms of this plan, which I read:

All of the functions of the Department of Welfare—

If they had stopped there, and continued with the language, "Including all the functions of the Federal Security Administrator, are hereby consolidated in the Secretary of Welfare," it would have been different. They said:

All of the functions of the Department of Welfare and of all officers and constituent units thereof.

That means powers conferred by statute on the Surgeon General of the Public Health Service—powers, for example, to approve plans for the construction of hospitals. Such powers would all be transferred to the Secretary of Welfare. He would pass on those questions individually, unless he chose to delegate the task to someone else.

Mr. ELLENDER. But all those powers are derived from Congress, are they not?

Mr. TAFT. Yes; they are derived from Congress. But Congress thought that the position of Surgeon General in the Public Health Service should be

filled by a doctor, and that the powers conferred on him should be exercised by a doctor. We placed educational powers in the head of the Office of Education, who presumably is an educator. Congress did that deliberately.

It is a general principle of the Hoover plan to concentrate power in the top man, and ordinarily I do not object to that principle; but when we have a department made up of three entirely separate functions, then it seems to me obvious that those functions ought to be kept separate by Congress, and ought to be administered by men chosen for the particular purpose.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. MAGNUSON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MAGNUSON. What is the question before the Senate?

The PRESIDING OFFICER. The question is on agreeing to the committee amendment on page 5, after line 10, in House bill 3838.

Mr. KERR obtained the floor.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LUCAS. I should like to suggest the absence of a quorum, if the Senator from Oklahoma will permit that to be done. This is the first time the able Senator from Oklahoma has taken the floor since he has been a Member of the United States Senate. It is very unusual, in these days, for a distinguished gentleman like my friend the Senator from Oklahoma to wait this long, and I should like to have all Members of the Senate hear him discuss this very important question.

INDEPENDENT OFFICES APPROPRIATIONS FOR 1950—CONFERENCE REPORT

Mr. O'MAHONEY. Mr. President, before a quorum call is had, unless one should be necessary with respect to the request I am about to make, let me say that the House has just adopted the conference report in the independent offices appropriation bill. I know everyone is anxious to get these appropriation bills passed. I should like to submit the conference report on the part of the Senate conferees, and have it considered, if the Senator from Oklahoma will yield for that purpose.

Mr. KERR. I yield to the Senator from Wyoming.

Mr. O'MAHONEY. Mr. President, I submit the conference report on the independent offices appropriation bill and ask for its immediate consideration.

Mr. TAFT. Mr. President, I wonder whether the Senator from Wyoming would be willing to put that request over until tomorrow. My attention has been called to the fact that the conferees have inserted a long proviso dealing with the whole question of veterans' educa-

tion in private schools. I question that provision. Offhand it would seem to me to be legislation. I do not know whether the committee of conference has power to do so, but at least I disagree with some of the conclusions and some of the legislation, because it is clearly legislation.

Mr. O'MAHONEY. Does the Senator from Ohio refer to the amendment dealing with aviation training?

Mr. TAFT. If it related to aviation training only, that might be another matter. There was in the bill something about aviation training. But this item applies to all schools for veterans.

For some time we have been having before the Committee on Education and Labor hearings on the whole question of the regulation of privately owned schools, which in some ways constitute an abuse and in other ways constitute a service for the veterans. I should not like to have this conference report go through at this time; at least, I wonder whether the Senator would be willing to have it wait until tomorrow.

Mr. O'MAHONEY. I was just going to say to the Senator from Ohio that if I have in mind the item to which he has been referring, it relates to an amendment offered by the Senator from Oklahoma [Mr. THOMAS] in regard to aviation training and aviation schools. That was a Senate committee amendment. It was adopted by the Senate. The House conferees disagreed, and insisted upon inserting this other material, which is, as I understand it, the complete text of the regulation under which the Veterans' Administration is now operating by authority of law. The Senate conferees agreed, for otherwise the Senate amendment would have been lost.

Let me suggest to the Senator from Ohio that perhaps the best way to proceed would be to allow this particular amendment to go over, but to adopt the remainder of the conference report. Then the Senator could deal with this particular item tomorrow morning, and his objection to this item would not then block consideration of this important privileged report.

Mr. TAFT. Mr. President, can that be done?

Mr. O'MAHONEY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. O'MAHONEY. Would it not be possible for us to consider all of the conference report save amendment No. 74, and allow that one amendment to go over until tomorrow?

The PRESIDING OFFICER. Since the amendment is not embraced in the conference report, that can be done.

Mr. TAFT. Mr. President, let me say that this item is of great importance, I think, because in the subcommittee of the Committee on Labor and Education we have had representatives of the Veterans' Administration before us. A provision which is not in the law has been inserted. It provides that none of this money shall be used to pay the allowances, and so forth, "for any veteran, after the date of the enactment of this

act, to reenter training or change a course, except where such reentry or change of course is based upon the recommendation of the Administration, following advisement and guidance."

They admit it would cost \$8,000,000 for them to put on the additional personnel to give that advice and approval or guidance. Certainly that is a substantial change from anything in existing law.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. TAFT. I yield.

Mr. AIKEN. I should like to add that if this proposed legislation is not approved, then any serviceman who has started a course, but who has dropped it, perhaps to take a job, and now wishes to take up that course again, can do so, unless he was expelled for cause.

Mr. O'MAHONEY. Mr. President, I recognize the importance of the matter. My suggestion is that we approve—if that is possible, and I think it is—all the rest of the conference report, but allow this matter to go over until tomorrow.

Mr. TAFT. That will be perfectly satisfactory.

Mr. AIKEN. I wish to point out that the veterans in the schools are not dependent upon the adoption of this particular provision, which I think clearly is legislation.

Mr. O'MAHONEY. Yes; it is legislation, but it has been approved by the House.

Mr. WHERRY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. WHERRY. Except for the amendment which will go over, what is left in the conference report for the Senate to act upon?

The PRESIDING OFFICER. There are several amendments.

Mr. O'MAHONEY. About 100 amendments were added by the Senate. Some, comparatively few, the Senate conferees had to surrender. The House has agreed to some, to others with an amendment, and I propose to proceed with all except this one.

Mr. WHERRY. All except this one?

Mr. O'MAHONEY. Yes. The present proposal is to have the Senate agree to all of the conference report with the exception of amendment No. 74.

Mr. WHERRY. So all the amendments we would now approve are Senate amendments, and the House has agreed to concur in them?

Mr. O'MAHONEY. There were some changes. The Senate conferees receded upon some, and the House has receded upon others.

Mr. FERGUSON. Mr. President, will the Senator yield?

Mr. O'MAHONEY. I yield.

Mr. FERGUSON. Does this amendment include aviation training?

Mr. O'MAHONEY. Yes; this is the one.

Mr. FERGUSON. It has been greatly changed.

Mr. O'MAHONEY. Unquestionably it has.

Mr. WHERRY. I understand that, and I understand that the amendment will go over for further consideration.

Mr. O'MAHONEY. Yes.

Mr. WHERRY. I wish to know if there are points of issue in the other amendments, which might involve considerable discussion such as is contemplated in connection with amendment numbered 74.

Mr. O'MAHONEY. I think not, but I am merely requesting unanimous consent that we may proceed to the consideration of all the other amendments in the conference report, except number 74, and that it may go over.

Mr. WHERRY. Will the Senator from Wyoming explain the amendments?

Mr. O'MAHONEY. Certainly.

Mr. WHERRY. Very well; I have no objection to the consideration of the conference report, except for the one amendment.

The PRESIDING OFFICER. The conference report will be read.

The report was read by the legislative clerk.

(For the full text of the conference report, see House proceedings, pp. 11508-11511.)

The PRESIDING OFFICER. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

The PRESIDING OFFICER. The question is on agreeing to the report.

Mr. WHERRY. Mr. President, I ask the distinguished Senator from Wyoming to give us an explanation—I would not say in detail; but I should like to know if the report includes any amendments containing legislation, on which the conferees on the part of the Senate and the conferees on the part of the House concurred, other than the amendment we have just discussed.

Mr. O'MAHONEY. Mr. President, I think that is the only one which involves any addition of that kind.

The bill was based upon a budget estimate of \$8,051,000,000. The total of the bill as passed by the House of Representatives was \$7,103,000,000. As the bill passed the Senate, the total was \$7,663,000,000-odd. In the conference the amount was reduced to \$7,617,739,361.

The principal difference between the Senate version and the House version lay in additional estimates which came to the Senate, but which were not considered by the House of Representatives, the net difference being an increase of approximately \$267,000,000, as I remember. The principal increase was in the amount for the national service life insurance—an increase of more than \$400,000,000.

Mr. WHERRY. I happen to be on the subcommittee handling that matter, and I appreciate the amendment.

Let me ask the distinguished Senator about the appropriations for the Atomic Energy Commission.

Mr. O'MAHONEY. The Senate provisions were accepted.

Mr. WHERRY. The provisions for fellowships, and so forth, in regard to atomic energy?

Mr. O'MAHONEY. Absolutely; they were accepted just as the Senate wrote them.

Mr. WHERRY. Does the distinguished Senator care to go on with his discussion? I think it is very informa-

tive. Those are all the questions I should like to ask.

Mr. O'MAHONEY. I am sure the report conforms to the will of the Senate. I have never known a conference to be more cooperative. The conferees on the part of the Senate felt that the conferees on the part of the House were most agreeable, although they vigorously defended the House version. I wish to compliment Representative ALBERT THOMAS, of Texas, chairman of the conferees on the part of the House, and the other able Members of the House of Representatives who served with him—Mr. GORE, Mr. PHILLIPS of California, Mr. ANDREWS, Mr. CANNON, and Mr. CASE of South Dakota. We had a very pleasant conference, although, as in this instance of amendment 74, the Senate conferees were forced to yield. We felt that the House presented a persuasive case. I think the report generally harmonizes with the will of the Senate.

For example, on the Maritime Commission controversy, the House has receded, and the provisions with respect to the vessels, the *Mariposa* and the *Monterey*, have been disagreed to. The position taken by the Senate was sustained.

There is in the report a direction, however, that the Maritime Commission make an immediate investigation and make a recommendation to the Congress by the 1st of September for action by the appropriate legislative committees.

Mr. WHERRY. Mr. President, I thank the Senator for the explanation. Then my understanding is that what the Senate is taking action on now is everything—

Mr. O'MAHONEY. It is being asked to act on everything except amendment No. 74.

Mr. WHERRY. It is everything except that? How did the Senator refer to the provision on page 63, line 14? Did he use the word "occupation"?

Mr. FERGUSON. "Veterans' training."

Mr. WHERRY. After the word "occupation" insert "which has to do with veterans' training." Is that it? It is a little more than that, I think. How is the Senator going to designate it?

Mr. O'MAHONEY. Amendment 74.

Mr. WHERRY. Amendment 74? It is not the copy I have.

Mr. O'MAHONEY. It is known as amendment 74, and I say to the Senator that the Senate committee recommended an amendment with respect to aviation training; the Senate accepted the amendment; it went to conference, and the House conferees declined to agree to the amendment unless the Senate conferees would agree to additional language. That was done, and the House, now having adopted the modified amendment 74, it is before us, and I think in a perfectly parliamentary way. But of course, I feel there should be a full understanding of the meaning of the conferees' modification of the Senate amendment.

Mr. WHERRY. Does the Senator mind if I propound a parliamentary inquiry on that point?

The PRESIDING OFFICER. This amendment was not in the conference

report. It is an amendment that is still in disagreement.

Mr. WHERRY. That is the point I wanted to make.

The PRESIDING OFFICER. The question is on agreeing to the conference report. Agreement to the conference report does not carry with it action on amendment No. 74, which is still in disagreement.

Mr. WHERRY. There is no objection. The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 4177, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES,
UNITED STATES,
August 14, 1949.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 7, 7½, 32, 52, 56, and 76 to the bill (H. R. 4177) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, corporations, agencies, and offices, for the fiscal year ending June 30, 1950, and for other purposes, and concur therein;

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment, insert the following: "not to exceed \$250,000 for allocation to the Federal Bureau of Investigation as required for investigation of applicants for certain positions involving national security when requested by the head of the department or agency concerned in cases where the department or agency concerned does not maintain its own investigative staff."

That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment, as follows: In lieu of the matter inserted by said amendment insert the following: "or for the compensation or expenses of any member of a board of examiners (1) who has not made affidavit that he has not appeared in any agency proceeding within the preceding two years, and will not thereafter while a board member appear in any agency proceeding, as a party, or in behalf of a party to the proceeding, before an agency in which an applicant is employed who has been rated or will be rated by such member; or (2) who, after making such affidavit, has rated an applicant who at the time of the rating is employed by an agency before which the board member has appeared as a party, or in behalf of a party, within the preceding two years: *Provided*, That the definitions of 'agency', 'agency proceeding' and 'party' in section 2 of the Administrative Procedure Act shall apply to these terms as used herein."

That the House recede from its disagreement to the amendment of the Senate numbered 46, and agree to the same with an amendment, as follows: In line 13 of said amendment, strike out the sum "\$21,667,500" and insert "\$17,500,000."

That the House recede from its disagreement to the amendment of the Senate numbered 54, and agree to the same with an amendment, as follows: In line 10 of said amendment, following the semicolon, strike out the remainder of the line and all of line 11 down to the period and insert in lieu thereof the following: "\$100,000: *Provided*, That this appropriation shall be consolidated with the appropriation 'Salaries and

expenses, National Archives', and accounted for as one fund."

That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment, as follows: In line 4 of said amendment, after the comma, strike out the word "or" and insert "nor"; and in line 7, after the word "budget", strike out the comma.

That the House recede from its disagreement to the amendment of the Senate numbered 74, and agree to the same with an amendment, as follows: In lieu of the matter stricken out and inserted by said amendment, insert the following: "shall not, in the absence of substantial evidence to the contrary, be considered a vocational or recreational when a certificate in the form of an affidavit supported by corroborating affidavits by two competent disinterested persons, has been furnished by a physically qualified veteran stating that such education or training will be useful to him in connection with earning a livelihood: *Provided further*, That no part of this appropriation for education and training under title II of the Servicemen's Readjustment Act, as amended, shall be expended subsequent to the effective date of this act for subsistence allowance or for tuition, fees, or other charges in any of the following situations:

"(1) For any veteran for a course in an institution which has been in operation for a period of less than 1 year immediately prior to the date of enrollment in such course unless such enrollment was prior to the date of the act;

"(2) For any course of education or training for which the Administrator determines that the educational or training institution involved has no customary cost of tuition until the Administrator and the educational or training institution have agreed upon a fair and reasonable rate of payment for tuition, fees, or other charges for such course. The term "customary cost of tuition" as employed herein and in paragraph 5, part VIII, Veterans Regulation No. 1 (a), as amended, is regarded as that charge which an educational or training institution requires a nonveteran enrollee similarly circumstanced to pay as and for tuition for a course, except that the institution (other than a nonprofit institution of higher learning) is not regarded as having a "customary cost of tuition" for the course or courses in question in the following circumstances:

"(a) Where the majority of the enrollment of the educational and training institution in the course in question consists of veterans in training under Public Laws 16 and 346, Seventy-eighth Congress, as amended, and,

"(b) One of the following conditions prevails:

"1. The institution has been established subsequent to June 22, 1944.

"2. The institution although established prior to June 22, 1944, has not been in continuous operation since that date.

"3. The institution although established prior to June 22, 1944, has subsequently increased its total tuition charges for the course to all students more than 25 percent.

"4. The course was not provided for nonveteran students by the institution prior to June 22, 1944, although the institution itself was established before June 22, 1944;

"(3) For any veteran after the date of enactment of this act to reenter training, or change a course, except where such reentry or change of course is based upon the recommendation of the Administrator following advisement and guidance: *Provided further*, That nothing in the foregoing proviso shall be construed to affect any litigation pending at the date of approval of this act."

That the House recede from its disagreement to the amendment of the Senate No.

77, and agree to the same with an amendment, as follows: In line 1 of said amendment, strike out "Sec. 102. (a)" and insert "Sec. 102-A."

That the House recede from its disagreement to the amendment of the Senate No. 85, and agree to the same with an amendment, as follows: Before the comma at the end of the matter inserted by said amendment, insert the following: "not to exceed \$300,000."

Mr. WHERRY. Mr. President, the agreement is that this goes over for further consideration. Is that correct?

The PRESIDING OFFICER. Amendment No. 11 is not one of those in disagreement. Is there any objection?

Mr. HOLLAND. Mr. President—

Mr. WHERRY. I have no objection.

Mr. O'MAHONEY. I now move that the Senate concur in the amendments of the House to the amendments of the Senate, with the exception of amendment No. 74.

Mr. HOLLAND. Mr. President—

Mr. LUCAS. Mr. President, who has the floor? Does the Senator from Oklahoma have the floor?

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. LUCAS. I thought the Senator from Oklahoma yielded about an hour ago.

Mr. KERR. I yielded to the Senator from Wyoming, for the presentation of the conference report.

Mr. LUCAS. The Senator from Oklahoma yielded, then, so the matter could be brought before the Senate at this time.

Mr. HOLLAND. Mr. President, I ask for recognition with respect to that.

I should like to address an inquiry to the distinguished chairman of the conference with reference to the Maritime Commission training program.

Mr. O'MAHONEY. The House conferees accepted the Senate amendment, so everything for which the distinguished and able Senator from Florida contended is in the bill.

Mr. HOLLAND. I appreciate very much the efficiency and courtesy of the distinguished chairman.

Mr. O'MAHONEY. I thank the Senator.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Wyoming.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Oklahoma has the floor.

Mr. WHERRY. Mr. President, before the Senator proceeds, will he yield for a parliamentary inquiry?

Mr. KERR. I yield for that purpose.

Mr. WHERRY. All I wanted to ask was this: If there is legislation in the amendment of the House to the amendment of the Senate, unless it shall be defeated, will it be subject to a point of order as being legislation on an appropriation bill?

The PRESIDING OFFICER. An amendment adopted by the House of Representatives, it is the Chair's understanding, would not be subject to a point of order.

Mr. WHERRY. But if the Senate concurred in the amendment of the

House, and it were legislation, would it be subject to a point of order?

The PRESIDING OFFICER. Since it would be legislation inserted by the House, it is the Chair's understanding it would not be subject to a point of order, under the rules of the Senate.

Mr. O'MAHONEY. Mr. President, will the Senator yield?

Mr. WHERRY. Yes. I thought the Senate and the House had agreed upon a compromise, and that therefore there was new matter in the amendment.

Mr. O'MAHONEY. There is new matter, but it was stricken, and, as the Chair has announced, since it is an amendment agreed to by the House, the point of order would not lie. But I may say, as the Senator in charge of the bill, that I am perfectly willing to have the matter discussed at an appropriate time, and if the Senate, for any reason, feels it should disagree to the amendment, all we will have to do will be disagree.

INTERIOR DEPARTMENT APPROPRIATIONS, 1950

The Senate resumed the consideration of the bill (H. R. 3838) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1950, and for other purposes.

Mr. KERR. Mr. President, first I should like to pay tribute to my colleague from Oklahoma, with whom I find myself in disagreement with reference to the pending legislation. I wish to pay tribute to him as one of Oklahoma's greatest public servants. I wish to pay tribute to him as a great Democrat and a great friend, and to express my regret that while we are together on so many things affecting our State we find ourselves in disagreement with reference to this matter.

Some of the things that have been discussed here today in my opinion should be mentioned briefly. We have heard much about the Nation's budget and about the national debt. Those are matters in which we are all deeply interested, and about which we have grave concern.

Mr. LUCAS. Mr. President, I suggest the Senate is slightly out of order.

The PRESIDING OFFICER. The Senate will be in order. The Senator may proceed.

Mr. WHERRY. Mr. President, since the majority leader has found it necessary to interrupt the distinguished Senator from Oklahoma, I should like to inquire, how long does the majority leader feel the Senate should continue in session this afternoon?

Mr. LUCAS. Perhaps the Senator should address his question to the distinguished Senator from Oklahoma. I do not know how long.

Mr. WHERRY. I do not want to interfere with the duties of the majority leader, but I think an indication of how long the session is to continue this afternoon is in order.

Mr. LUCAS. I submit the Senator should ask the distinguished Senator from Oklahoma, but if the Senator desires to have me ask, I shall be glad to do so. How long does the Senator from Oklahoma expect to speak? I make the

inquiry so that I may be able to inform Senators when they can go home.

Mr. KERR. The Senator from Oklahoma will speak approximately 30 or 35 minutes.

Mr. LUCAS. That is, unless interrupted?

Mr. KERR. I may say that any relationship, however, between that and the length of time we shall be in session is purely coincidental.

Mr. LUCAS. I thank the Senator.

Mr. WHERRY. Mr. President, if the Senator will yield for a question. Does the Senator mean tonight, or does he refer to the whole session?

Mr. KERR. That depends upon the questions asked and the controversial matters injected into the discussion from now on.

Mr. WHERRY. I was going to suggest that, inasmuch as this is, as the distinguished majority leader said, the maiden speech of the Senator from Oklahoma, probably a quorum call would be in order, or perhaps, unless the Senator has released his speech, he might prefer to have the matter go over until tomorrow, when we could have a full attendance.

Mr. KERR. I appreciate the consideration of the Senator from Nebraska, but I would not ask for a quorum for the feeble effort I expect to make.

As I was about to say, in considering the fiscal policies of the Government it is well to know that dollars and cents are not the only standard of national wealth. It has been said that a nation loaded with money, but whose resources are dissipated, is a poor nation; but that a nation whose resources are conserved and developed, a nation whose people are trained in heart and hand and mind, is a wealthy nation, though her financial resources alone may be limited. I do not consider that the United States of America is short in any of these regards. I say that programs having to do with the development of the economic resources of the Nation, the conservation and building of the soil, the conservation and use of water, the development of an industrial structure, the development of the people of the Nation to a point where they know how to get the most out of those resources—these things make for a wealthy nation, indeed.

The matter of taxation of utilities has been mentioned. That is a very pertinent subject. It is a subject in which the people are personally interested, because they know that in their rate base is an amount sufficient to pay those taxes, and that in addition to that, their rates are increased as the taxes may be increased. In the final analysis, the people pay the utilities all they pay in taxes, plus 6½ percent.

Much has been said about what this program means to the farmers of Oklahoma. Much of what I say will be with reference to what it means to the farmers of Oklahoma. In that regard, I call attention to the fact that of all the groups in Oklahoma, none is more able to determine for itself what this program means and what it is worth than are the farmers of Oklahoma. They, in the use of their great reserves of good common sense and hard, practical ability, have been here and have addressed them-

selves to the Senate committee with reference to the program.

Mr. President, with reference to the Southwestern Power Administration, the committee suggests amendments, as has been set forth this afternoon. As I understand, and as I have learned from reading the bill and the report of the committee, there is no matter in the bill before the Senate that involves hundreds of millions of dollars. There is in the bill now pending before the Senate no program that involves more than \$9,000,000, with reference to both appropriations and authorizations, but it deals with a part of a program which has, as its over-all objective, the expenditure of approximately \$50,000,000. I believe that we not only are entitled to, but should, think of it in that light.

There are four things about which this debate has arisen. One is the transmission line to southeastern Missouri. Another is a transmission line to western Oklahoma; the third is operation and maintenance expenses, and the fourth is the continuing fund.

The committee amendment which deletes the paragraph establishing a continuing fund of \$300,000, along with the others, should be rejected by the Senate.

The committee recommended the deletion of the continuing fund on the ground that no law exists authorizing the appropriation.

This continuing fund was intended for the purchase of electric power and the leasing of transmission facilities. The Southwestern Power Administration has had a \$100,000 continuing fund for several years. Solely to take care of expanding operations, the House had increased this amount of \$300,000.

The committee report directs the Southwestern Power Administration to enter into contracts with private utility companies under which SPA would be required, in effect, to purchase power and lease lines. Mr. President, this is exactly what the committee had said SPA had no authority to do. I will discuss these proposed contracts a little later.

At my request, the Solicitor of the Department of the Interior reviewed the committee's statement and rendered an opinion that the Administration does have the authority to purchase power and lease lines under the Flood Control Act of December 1944. I submit a copy of his opinion, and ask unanimous consent that it be inserted in the RECORD at this point.

There being no objection, the opinion was ordered to be printed in the RECORD, as follows:

UNITED STATES
DEPARTMENT OF THE INTERIOR,
Washington, D. C., July 15, 1949.

To: The Secretary.

From: The Solicitor.

Subject: Scope of the lawful powers of the Southwestern Power Administration.

This responds to the oral request for my comments upon the statement appearing in the report (S. Rept. No. 661, 81st Cong., p. 5) of the Senate Appropriation Committee on the Interior Department appropriation bill for the fiscal year 1950 (H. R. 3838, 81st Cong.) to the effect that "no law exists authorizing appropriations" to the Southwestern Power Administration for "the purchase

of electric power and energy and rentals for the use of transmission lines and appurtenant facilities of public bodies, cooperatives, and privately owned companies."

The statement referred to above was made in explanation of the action of the committee in recommending the deletion from the bill of a provision to increase the amount of the continuing fund established for the Southwestern Power Administration by the First Supplemental National Defense Appropriation Act, 1944 (57 Stat. 611, 621), from the present figure of \$100,000 to \$300,000, and to expand the purposes for which the money in the fund may be expended so as to include the purchase of electric power and the rental of transmission lines.

The provisions of law which delimit the functions of the Southwestern Power Administration are found in section 5 of the Flood Control Act of December 22, 1944 (58 Stat. 887, 890; 16 U. S. C., 1946 ed., sec. 825a). That section provides for the transmission and disposal by the Secretary of the Interior of electric power and energy generated at reservoir projects under the control of the Department of the Army¹ and not required in the operation of such projects.

The Southwestern Power Administration is the agency utilized by the Secretary of the Interior for the performance of his functions under section 5 of the Flood Control Act of December 22, 1944, within the area comprised of the States of Arkansas and Louisiana, of those parts of the States of Kansas and Missouri lying south of the Missouri River Basin and east of the ninety-eighth meridian, and of those parts of the States of Texas and Oklahoma lying east of the ninety-ninth meridian and north of the San Antonio River Basin. (Departmental Order No. 2135, dated Nov. 21, 1945; 10 F. R. 14527. See Solicitor's Opinion M-34873, dated Feb. 28, 1947.) Hence, the correctness of the committee's statement previously mentioned turns upon the proper construction of section 5 of the Flood Control Act of December 22, 1944.

Insofar as the rental of transmission lines and appurtenant facilities is concerned, the plain language of section 5 seems clearly to authorize the Secretary of the Interior (and the Southwestern Power Administration in the exercise of the Secretary's delegated authority) to enter into such agreements. The section provides that the Secretary may construct or acquire, by purchase or other agreement, transmission lines and related facilities if it is necessary to do so in order to accomplish the objectives stated by the Congress in the enactment of section 5 (emphasis supplied).

It will be noted that the Secretary (or the agency exercising his authority under section 5) is not required to construct the necessary transmission lines and related facilities, but that he may acquire them already constructed, if that is possible and seems advisable. It will also be noted that, in acquiring transmission lines and related facilities, the Secretary is not restricted to acquisition by purchase, but that he may acquire them by any other form of agreement—such as, for example, a rental agreement. Hence, the rental of transmission lines and related facilities by the Southwestern Power Administration, as an agency performing the functions of the Secretary of the Interior under section 5 of the Flood Control Act of December 22, 1944, within a prescribed region, seems to be plainly provided for in section 5.

The second point mentioned by the committee—i. e., the purchase of electric power and energy—appears to involve the construction of that part of section 5 of the Flood Control Act of December 22, 1944, which makes it mandatory that the Secretary of the Interior (and any agency operating under his authority for this purpose) shall, in the distribution of electric power and energy from Army reservoir projects, transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles.

The need for the purchase of electric power and energy by the Southwestern Power Administration if it is to accomplish the statutory objective quoted in the preceding paragraph is illustrated by the interchange agreement which the administration has made with the Texas Power & Light Co. In this connection, it may appropriately be noted that the Senate Appropriations Committee referred approvingly to this agreement and indicated that the administration should make similar agreements with other utility companies (S. Rept. No. 661, 81st Cong., p. 4). Under such an agreement, the Southwestern Power Administration puts a quantity of electric power into the system of a utility company, and is entitled to call upon the company to deliver electric power, up to a specified amount, to the administration's customers. During any accounting period, the quantity of electric power received from the company for the Administration's customers may exceed the amount of power delivered to the company by the Administration. In such a situation, funds with which to pay the company for the deficit are needed. This, in effect, is a purchase of electric power from the company. Hence, the approval by the committee of the agreement between the Administration and the Texas Power & Light Co. necessarily involves an approval of the purchase of electric power by the Administration from the company.

It was clearly demonstrated at the hearings on the pending bill before the subcommittee of the Senate Committee on Appropriations that the full capacity of the hydroelectric projects from which the Southwestern Power Administration markets power can be utilized only by integrating their operations with other systems from which power can be obtained—i. e., purchased—for firming purposes. In other words, the purchase of some electric power by the Southwestern Power Administration is necessary if the objective of section 5 of the Flood Control Act of 1944—"the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles"—is to be effectively attained by the Administration in the distribution of the electric power generated at Army reservoir projects in its region.

I believe that if, in order to obtain the most widespread use of the power generated at the Army hydroelectric projects in its region, it is necessary for the Southwestern Power Administration to purchase electric power from other sources for the purpose of firming up the hydroelectric power, then such purchase is authorized as a necessary means of carrying out a statutory duty which is placed upon the Secretary of the Interior by section 5 of the Flood Control Act of 1944.

MASTIN G. WHITE,
Solicitor.

Mr. KERR. Mr. President, this continuing fund would be necessary for the administration to carry out even the limited plan of operation recommended by the committee itself.

In another item in the same committee print, with reference to the Missouri River Basin, the committee recommended an appropriation of \$81,000,000. It then directed that a part of this money be used for the purchase of power.

A study of the break-down of the \$1,116,115 to be appropriated under the terms of the committee amendment discloses these startling facts: The \$525,000 operation and maintenance fund provided by the House would be reduced to \$330,000. This reduction would come at a time when 500 miles of transmission lines are about to be turned over to the Southwestern Power Administration for its operation. These lines would increase the responsibility and requirements of SPA, not decrease them.

The item of \$660,000 provided by the House for general plant and equipment would be reduced by the Senate Committee to \$100,000. This would make it impossible for Southwestern Power Administration to provide itself with necessary trucks, dispatching boards, tractors, and energized line equipment. Mr. President, these items will be absolutely necessary for the minimum operation of the facilities for which SPA is responsible. I submit a general summary of these items, and ask unanimous consent that it be placed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

GENERAL SUMMARY OF ITEMS INCLUDED IN GENERAL PLANT AND EQUIPMENT CATEGORY (OPERATING HEADQUARTERS AND SEVEN DEPOTS)

Sixteen cars fully equipped for use on transmission, maintenance, and operation.

Line materials and supplies, such as poles, insulation, cross arms, wire, cables and fittings.

One automotive and machine shop fully equipped for maintenance of transmission equipment.

System lay-out and dispatching boards.

Twelve complete station radio units (200-foot masts).

Recording and telemetering equipment.

Forty-four two-way automotive radio sets and 10 walkie-talkie sets.

Eight carrier communication sets.

Testing instruments, testing boards, relay and meter equipment.

One trailer truck.

Seven line trucks.

Seven pole trailers.

Seven hotstick trailers.

Seven pick-up trucks—4-wheel drive.

Seven light pick-up trucks.

Three stake body trucks.

Three tractor crawler type.

Fourteen portable lighting m. g. sets.

One tractor trailer.

One low-body oil filler trailer.

Three air compressors.

Three portable pumps.

3 jack hammers with drills and tempers.

Transits, levels, calculators, adding machines and miscellaneous engineering equipment.

Miscellaneous tools, furniture, and office supplies.

Storage bins, substation parts, shelving, cabinets, and benches.

Breaker contacts, bushings, gaskets, and fuses.

Stock and index record equipment.

Mr. KERR. Mr. President, on the map before the Senate can be seen a picturization of the program planned by the

¹ The section, as enacted, referred to the "War Department," but the name of that agency was subsequently changed to Department of the Army by section 205 of the National Security Act of 1947 (61 Stat. 495, 501; 5 U. S. C., 1946 ed., Supp. I, sec. 181-1).

Southwestern Power Administration, which was submitted to and approved by the House, but which was rejected by the Senate committee.

Senators can see the 500-mile, \$7,000,000 line connecting the Texoma Dam on Red River with the Norfolk Dam on the North Fork of the White River in Arkansas.

There is shown the proposed line from Norfolk Dam in Arkansas to Essex in southeastern Missouri. It is badly needed to carry power to REA cooperatives in southeastern Missouri and northeastern Arkansas. Many REA lines already built in this area do not now have power available from any source adequately to serve existing customers, or others who want to be served.

The Southwestern Power Administration has already signed contracts with these cooperatives to provide power, if enabled to do so by the Congress. These contracts will make possible the reimbursement to the Government of the full cost of this transmission line, plus interest.

At the same time, the proposed cost of power to these cooperatives would be less than half the amount they now pay for the inadequate quantity they now obtain from the utilities.

The other transmission line, which needs to be built, and for which the House provided funds, runs from Lulu in eastern Oklahoma to Anadarko in western Oklahoma. This line will carry a large block of power to western Oklahoma. The present supply is grossly inadequate. Those purchasing cooperatives have also signed a tentative contract to pay for this power on a basis that will return to the Federal Government, with interest, its investment in these transmission lines.

Mr. President, the appropriations for these two transmission lines were both stricken by the Senate committee. Thus, by a single stroke, the REA program of

two vast areas of the Southwest would be denied power to meet the emergency needs of today and tomorrow. The appropriations for Southwestern Power Administration for transmission facilities to serve rural electric cooperatives is necessary.

The committee further eliminated all money requested by the Southwestern Power Administration for a survey of the economic needs of other REA areas. Lines to serve these areas are indicated by the open red lines shown on this map. Not one penny was allowed by the committee to determine the needs in these areas.

Mr. President, there is far more involved in this controversy than mere reduction or increase of the amount of an appropriation. The basic power policy of this Government is involved. The people are keenly aware of the issues we face here today. Let us be no less aware than they.

Senators who have made these proposed reductions would not permit the Federal Government to build transmission lines to carry power created by Government hydroelectric projects to farmers' rural electric cooperatives. Neither would they permit them to serve others designated by Federal legislation as being preferred customers.

If Senators will read the hearings held before the Senate committee, they will find this amazing and astonishing fact: The action of the committee conforms absolutely to the recommendations made by representatives of the electric utility companies, operating in the area of the Southwestern Power Administration.

Mr. Langston Ashford, representing Arkansas-Missouri Power Co., at page 1422, Senate subcommittee hearings on the Interior Department appropriation bill for 1950, said:

The particular appropriation which we oppose is one for \$3,169,000 to build 154 kilowatt line from Norfolk Dam to Essex, Mo.

At page 1424 of the same volume, Mr. Byron, vice president of the Missouri Utilities Co., stated:

My purpose is to oppose this line from Norfolk to Essex just covered by Mr. Ashford, which comes into our territory in southeastern Missouri.

The committee followed these recommendations by striking that item from the bill.

Pages 1578 and 1579 of the same volume show two lists of projects submitted by Mr. Hamilton Moses, president of Arkansas Power & Light Co. One list describes "Projects of Southwestern Power Administration which should not be built with public funds." The other begins: "Projects not objected to by companies in the Southwest."

With but few minor variations, the Senate committee followed all the suggestions contained in these two tables. Almost without exception, the items which Mr. Moses says "should not be built" are stricken. The ones "not objected to by the Southwest companies" are permitted to remain in the bill.

On page 1408 of the same volume Mr. Walter B. Gesell, vice president of the Oklahoma Gas & Electric Co., said:

Operation and maintenance, marketing and administrative expenses do not need the \$525,000 requested—\$350,000 is probably more than adequate in the fiscal year 1950.

The amount allowed by the Senate committee is \$330,000.

Mr. President, I ask unanimous consent to insert in the RECORD at this point in my remarks a table showing, first, detailed items provided for by the House of Representatives; second, the amounts recommended by the private utility companies for the fiscal year 1950, and third, the items as approved by the Senate Appropriations Committee.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Allowances by the House of Representatives, the Senate Appropriations Committee, and amounts recommended by the private utility companies, fiscal year 1950

Subprojects	House		Recommended by the private utility companies in Southwest; see Senate hearings, p. 1579		Senate committee	
	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization
1. Old program, administrative, engineering, and overhead.....	\$150,000		\$150,000		\$150,000	
2. Operation and maintenance.....	525,000		330,000		330,000	
3. General plant and equipment.....	600,000		100,000		100,000	
4. Future plans.....	50,000		50,000		50,000	
5. Miscellaneous construction.....	227,460		227,460		227,460	
6. Van Buren line, 154-kilovolt.....	8,200	\$24,600	8,200	\$24,600	8,200	\$24,600
7. Van Buren switching station 154-kilovolt.....	75,000	225,000	75,000	225,000	75,000	225,000
8. Brown-Russett interconnection (line and substation), 132-kilovolt.....	236,750	710,250	236,750	710,250	236,750	710,250
9. Extension to substation at Webeoka.....	40,250	120,750	40,250	120,750	40,250	120,750
11. Wilson, substation, 66-kilovolt.....	19,275	57,825			19,275	57,825
12. Comanche, substation, 66-kilovolt.....	22,380	67,140			22,380	67,140
13. Walters, substation, 66-kilovolt.....	27,280	87,840			27,280	87,840
14. Bull Shoals Dam to a point to connect to 154-kilovolt trunk line from Norfolk line.....	49,200	147,600	49,200	147,600	49,200	147,600
15. Switching station, Southeast Norfolk Dam (Bull Shoals), 154-kilovolt.....	75,500	226,500	75,500	226,500	75,500	226,500
19. Fort Gibson to connect to 154-kilovolt.....	147,600	442,800	147,600	442,800	147,600	442,800
20. Tenkiller Ferry to 154-kilovolt trunk north of Webbers Falls, Okla., 154-kilovolt.....	49,200	147,600	49,200	147,600	49,200	147,600
21. Webbers Falls, switching station, 154-kilovolt.....	8,620		8,620		8,620	
10. Essex, substation, 154-kilovolt.....	67,975	203,925				
16. Lulu to Lindsay, 132-kilovolt.....	292,627	885,774				
17. Norfolk to Essex, Mo., via Doniphan, Mo., 154-kilovolt.....	649,654	1,845,846				
18. Doniphan, substation, 154-kilovolt.....	100,600	301,800				
21. Lindsay to Anadarko, 132-kilovolt.....	242,400	330,000				
22. Lulu switching station, 132-kilovolt.....	38,250	114,750				
23. Anadarko, substation, 132-kilovolt.....	7,918					
27. Comanche to Lindsay, 66-kilovolt line.....	10,340					
28. Marshfield to Springfield, 154-kilovolt line.....	8,050					
29. Marshfield to Rolla, 154-kilovolt.....	27,370					
30. Marshfield substation, 154-kilovolt.....	9,408					

Allowances by the House of Representatives, the Senate Appropriations Committee, and amounts recommended by the private utility companies, fiscal year 1950—Continued

Subprojects	House		Recommended by the private utility companies in southwest, see Senate hearings, p. 1579		Senate committee	
	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization	Cash appropriation	Contract authorization
31. Rolla substation, 154-kilovolt.....	\$9,408					
32. Lebanon, substation, 154-kilovolt.....	9,408					
33. Mansfield, substation, 154-kilovolt.....	9,408					
34. Springfield, substation, 154-kilovolt.....	14,000					
35. Ardmore to Marietta, 66-kilovolt line.....	3,760					
36. Russett to Madill, 66-kilovolt line.....	1,880					
37. Ringling, substation, 66-kilovolt.....	852					
38. Marietta, substation, 66-kilovolt.....	1,266					
39. Madill, substation, 66-kilovolt.....	714					
40. Springfield to Greenfield, 110-kilovolt line.....	8,140					
41. Russett to Tishomingo, 66-kilovolt.....	4,136					
42. Tishomingo to Connerville, 66-kilovolt.....	3,102					
43. Connerville to Lulu via Ada, 66-kilovolt.....	7,238					
44. Lulu, substation, 132-kilovolt and 66-kilovolt.....	4,661					
45. Connerville to Sulphur, 66-kilovolt.....	4,136					
46. Ada, substation, 66-kilovolt.....	1,128					
47. Connerville, substation, 66-kilovolt.....	714					
48. Sulphur, substation, 66-kilovolt.....	714					
49. Greenfield to Lamar, 110-kilovolt line.....	5,940					
50. Greenfield to Cassville, 110-kilovolt line.....	13,200					
51. Greenfield, substation, 110-kilovolt.....	3,138					
52. El Dorado Springs, substation, 110-kilovolt.....	1,882					
53. Tishomingo, substation, 66-kilovolt.....	714					
54. Greenfield to Butler, 110-kilovolt line.....	17,600					
55. Lamar, substation, 110-kilovolt.....	1,882					
56. Mount Vernon, substation, 110-kilovolt.....	2,720					
57. Cassville, substation, 110-kilovolt.....	6,694					
58. Butler, substation, 110-kilovolt.....	2,720					
Total.....	4,000,000	\$5,000,000	\$1,547,180	\$2,045,100	\$1,616,115	\$2,257,905

Mr. KERR. Mr. President, if Senators will examine this table they will find that when the utilities asked that certain items contained in the House bill be stricken, those items were stricken; when the utilities asked that certain items be reduced, they were reduced; when the utilities said they had no objections to certain items being retained, they were retained.

At page 4 of the committee report, we find that the Southwestern Power Administration is directed to enter into contracts with the private utility companies operating in the area for the exclusive transmission of power. The formula for the proposed contracts is to be found in an existing contract between SPA and the Texas Power & Light Co. for the transmission of certain power within the State of Texas.

It has been said by the distinguished Senator from Arizona that there has been a reversal in the policy of the southwestern utility companies with reference to that contract. I would say that that is not an overstatement. Frankly, I have some doubt as to whether there has been a reversal in their objectives or a reversal in tactics. It was not I who said that it was a deathbed repentance, but I would not disagree with such a conclusion if it were suggested.

It reminds me somewhat of the story of Sandy when he was fishing and had with him his Scotch preacher. A storm came up and it looked pretty serious. Sandy said, "Preacher, I'll row if you'll pray, and we'll see if we can make out." So they started for the shore, each one doing his assigned job with all the energy he had. As it got darker Sandy said, "Preacher, pray a little harder. She's lookin' rougher." After a while Sandy thought he felt the front end of the boat

touch the sand of the shore, and he immediately said, "Preacher, slow up on them commitments. It looks like we're going to make it." [Laughter.]

On page 1362 of the Interior Department appropriation hearings of this Congress on H. R. 3838, we find the following proposal from Mr. Wilkes, president of the Southwest Gas & Electric Co.:

We now offer to take the Texas Power & Light Co. contract and under that contract we will buy all the power and energy at dam site, will pay at the rate set by the Federal Power Commission, which will amortize the purchase plus interest over 50 years and will pay all operating costs for the power part of the multipurpose dam.

On page 1428 we find the following question by the Senator from Arizona [Mr. HAYDEN]:

That being the case, what we would like to know is: Is the Arkansas Power & Light Co. willing to handle that power to those public bodies in the same manner as the Texas Co?

And the following answer by Mr. Moses, president of the Arkansas Power & Light Co.:

Yes, sir. And I have here, which I have submitted, a written copy of the company's answer to Mr. Wright, and this is a copy of the signed contract.

And now, Mr. President, let me pause to show you a mystery. During the Eightieth Congress this same Mr. Wilkes and this same Mr. Moses went before the same committee with reference to the Interior Appropriation bill for the Southwestern Power Administration.

At that time this same Mr. Wilkes said:

Personally, I would feel that I am almost criminally to blame should I make such a contract with Southwestern Power Adminis-

tration for the Southwestern Gas & Electric Co.

These, we feel, were the compelling reasons why the T. P. & L. Co. signed the unfair and iniquitous contract. We are not interested in such a contract at any such cost to our self-respect, our common decency, our customers, our cooperatives, and our stockholders. We do not see any possibility of the 10 companies or any one of the 10 individual companies, being able to justify to its board of directors, to its customers, or to any regulatory body having jurisdiction over it, any such contract. (Pp. 1436 and 1438, Appropriations Subcommittee hearings on H. R. 6705, 80th Cong., 2d sess.)

During the course of one of the hearings, the Senator from Wyoming [Mr. O'MAHONEY] asked the following question of Mr. Moses:

The Southwestern Power Administration told us this morning, if I understood the testimony correctly, that it had a contract with the Texas Co. which was satisfactory. Would that contract be satisfactory to you?

To which question Mr. Moses made the following answer:

No sir. * * * What would we do in Arkansas absorbing this enormous amount of hydro power on the basis of the Texas contract? It would overwhelm us. (P. 424, Appropriations Subcommittee hearings on H. R. 3123, 80th Cong., 1st sess.)

Now, Mr. President, I should like for someone wiser than I to explain how the same men, for themselves and others, could scorn with such intense animosity the same contract a year or two ago which they seek to embrace with such ardor today.

What has happened, Mr. President, to the unfair and iniquitous contract of 1948 which would transform it into the lily of the valley in 1949.

What has purged it of its criminal aspects, Mr. President?

What has changed it from a status that would have overwhelmed the utilities in 1947 to one that is so necessary for their prosperity and security now?

How is it, Mr. President, that a contract which shocked their self-respect and common decency in 1948 is held in such high esteem in 1949?

Mr. LUCAS. Mr. President, before the Senator takes up the next point, will he yield?

Mr. KERR. I yield to the Senator from Illinois.

Mr. LUCAS. Does the evidence taken in the hearings disclose why these power magnates changed their minds during the year?

Mr. KERR. My study of the hearings discloses the fact, but not the reason. I shall be glad to yield the floor to the chairman of the subcommittee for the purpose of answering the question.

Mr. HAYDEN. The statement was made by Mr. Moses, of the Arkansas Light & Power Co., that he never had believed, until this time, that Congress would appropriate the money for building the transmission lines. But now that the House committee had recommended the appropriation of money so the Government could build transmission lines unless the Government made some kind of arrangement with the private companies, the private companies were willing to make the necessary arrangement.

Mr. KERR. Mr. President, the evidence in the record shows that the contract the company submitted in response to the request had some 17 major differences from the one that had been signed with the Texas Light & Power Co. My case is not against the contract, Mr. President. My case is with reference to the manner of achieving the development of the power program in the Southwest.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. KERR. I yield for a question.

Mr. FULBRIGHT. I do not quite understand the Senator. Is the Senator in favor of the execution of a contract based upon the principles of the Texas Co. contract?

Mr. KERR. I shall cover that fully in my remarks.

Mr. FULBRIGHT. I thought the Senator just said he was.

Mr. KERR. I said I did not oppose such a basis for a contract. In fact, I favor such a basis. I simply do not believe in sending a representative of the Government into a camp whose whole history has been that of opposition, putting the representative in a strait-jacket and saying to him, "You have got to make a contract on the basis acceptable to these people." I will cover that point rather fully in my statement.

Was the Senator from Arizona getting ready to answer the Senator from Illinois?

Mr. HAYDEN. I shall do so a little later.

Mr. KERR. Mr. President, I have studied the Texas Power & Light contract. It serves a worthy purpose in transmitting limited quantities of public power from a limited source to limited

service areas. But, sir, I look with the gravest concern upon a proposal to commit the entire present and future production of public power in the great Southwest to the terms of such a contract. A contract with reference to a certain part of the power created by the Government in certain projects on a basis that promotes the Government service for the benefit of the people is one thing. A legislative mandate that every kilowatt of power ever to be produced in that area shall be under a similar contract is another thing.

I greatly favor being in a position to negotiate with private utilities for the sale of surplus power, if any. I greatly favor being in a position to bargain with them for transmission of power where it is in the public interest. But, Mr. President, I am unalterably opposed to giving private utilities an exclusive contract for the entire output of public power.

I am opposed to such an agreement because it creates an unnecessary and unwarranted monopoly, because it would make it more difficult, if not impossible, for "preferred customers" to secure public power as now provided by law. I am against such an agreement. It would cause the Government to be dependent upon private utilities in making the public power program work. And, Mr. President, these utilities are not famous for their desire to make that program work.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. HAYDEN. I wish to read one extract from the testimony of Mr. Moses, as it appears on page 1428 of the hearings:

Therefore, since they wouldn't make a contract along the lines we thought proper, and since apparently we were not going to get any other contract except the Texas contract—and if we didn't get that we would get competing transmission lines in our area—then we know it means our death. We cannot compete with our sovereign, and we know it.

Mr. KERR. Mr. President, is it in order now for me to ask a question of the senior Senator from Arizona?

The PRESIDING OFFICER. That can be done by unanimous consent.

Mr. KERR. I ask unanimous consent to ask a question of the Senator from Arizona.

The PRESIDING OFFICER. Is there objection? The Chair hears none.

Mr. KERR. I should like to ask the Senator from Arizona if that has the earmarks of an amorous romance or of a shotgun wedding.

Mr. HAYDEN. I am afraid there was a shotgun at least in the closet.

Mr. KERR. Mr. President, if such contracts were made general the utilities would have a profitable monopoly granted and protected by the Federal Government, and that should never be tolerated.

No wonder, Mr. President, there are so many Senators who do not agree with the basic power policy favored by the majority of this committee.

No wonder the House of Representatives does not agree. A majority of that

body has clearly shown that it believes the Government should go beyond the bus bar in transmitting electric energy, created by Government projects, to those customers classified as "preferred" by existing Federal legislation.

I believe, Mr. President, that the majority of the Senate will concur in the policy favored by the House of Representatives.

In the past quarter of a century, Congress has inaugurated many wise, far-reaching, constructive laws and programs for the conservation and development of natural resources and promoting the general welfare of the people. High on the list of accomplishments are the programs for the conservation and rebuilding of soil, the conservation and use of water.

One of the most valuable results of the conservation of water is hydroelectric power. One of the greatest chapters of human progress in the history of our Nation has been the development of rural electric cooperatives and through them making electric power available to the farms of the Nation.

Mr. President, rural electrification is the emancipation proclamation for the farm families of America. It has done more to lighten the burden of American farm women than Lincoln did for the generation of slaves whom he freed.

There are more than 1,000,000 farm families in the great area of Kansas, Missouri, Arkansas, Louisiana, Texas, and Oklahoma proposed to be served by the Southwestern Power Administration.

Before the coming of REA less than 2 percent of those farms had electric power. Today in Oklahoma almost 73,000 of the 165,000 farms, or 44 percent, have electric service. Throughout the entire Southwest approximately 50 percent of the farms are presently being served, but Mr. President, there are 500,000 farm homes even now being denied the opportunity for electric lights, washing machines, refrigerators, and a multitude of other labor-saving devices.

When the rural electric cooperatives started business 10 to 12 years ago, it was assumed that 60 kilowatt-hours per farm per month would supply their needs. As of today the average consumption per farm is more than twice that amount.

I should like to have Senators bear that figure in mind. This program was developed by a concept of the Government that some 60 kilowatt-hours per month would serve the farm. It was the figure that was in the minds of the private utilities. It was the controlling fact that kept them out of the field of serving electricity to the farms of the Nation. There has never yet been a time when either the utilities or the Government itself have accurately and sufficiently estimated the future needs of electricity in this country. The fact that they felt that 60 kilowatt-hours per month would serve the average family is an outstanding example of the fact that all estimates have been minimized instead of being adequate.

Mr. HAYDEN. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. HAYDEN. I should like to read another extract from the record. Mr. Moses in testifying before the committee had this to say, as appears on page 1429 of the hearings:

At present, gentlemen, there are about 390 points of delivery at which co-ops are getting power down there now. We are saying to them, "If you want to work out this Texas arrangement that Mr. Wright testified has been going good down there, and that he offered our company 18 months ago, and we would not accept—because we never did think our Government was going to go so far as to put the sovereign in competition with us down there in our area. We just didn't believe you gentlemen up here would ever do it. But apparently the House did it, and we were afraid you folks would."

Mr. KERR. That is not a change of objective, but a change of tactics.

Many farms now use well over 400 kilowatt-hours per month, and a few which are equipped on the basis that the average farmer dreams about, and every one of them plans for, use in excess of 1,000 kilowatt-hours per month each.

The intelligent leaders of these Southwestern rural cooperatives are now preparing for an average of 1,000 kilowatt-hours per farm per month. Mr. President, this will mean that the farm families alone in that area will require approximately 1,000,000,000 kilowatt-hours of electric energy each 30 days.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LUCAS. In the event the utilities take over a contract with the Government to furnish the power, would they be able to provide what the Senator is talking about in areas such as Missouri, which the Senator pointed out a moment ago, and Arkansas, where it is planned to extend power if the proper appropriations are made?

Mr. KERR. I shall try to cover that question a little later. I believe that at any time the private utilities could have prepared for and met the expanding needs of our area and of this Nation for increasing amounts of electric energy. The Senator asks, Could they do it? The answer is "Yes."

Much has been said here today about the fact that this area has a comparatively cheap rate for electricity. When REA started the rate was four times the amount which was discussed here today. The private utilities could have brought about such a situation on their own. They did not, and they would not; and I think their vision today with reference to the future is just as limited proportionately as it was back yonder 10 or 12 years ago.

In that connection, I have received a letter from Mr. Ansel I. Moore, executive secretary of the M. & A. Electric Power Cooperative, of Poplar Bluff, Mo. The letter is dated July 28, 1949. I should like to read a few lines from it:

In the appropriation, as approved by the House of Representatives, there are funds to build 155 miles of 154,000-volt transmission lines from Norfolk Dam to Essex, Mo. We have a contract with the Southwestern Power Administration for 12,500 kilowatts from Norfolk and 20,000 kilowatts from Bull Shoals. This line does not duplicate any facilities now existing. The electric distri-

bution cooperative load centers of the M & A area, proposed to be served by SPA's transmission line, will be completely annihilated if funds are not made available and service granted.

Our system studies indicate a tremendous quantity of power necessary.

They (the utilities) do not have the power available, nor do they have the transmission facilities now, or construction contemplated, to meet our needs. For example, note the enclosed photostatic copy of voltage charts for the week of July 2 through July 9, 1949, from our Doniphan power source, as supplied by the Arkansas-Missouri Power Co. In the first place, a 33,000-volt transmission line is as much outdated as a model-T Ford as compared to the 1949 model Ford. As you see, they cannot even give us 33,000 now, much less in the future.

The chart to which he refers and encloses shows that their average receipts on the 33,000-volt line are about 30,500.

So I try to answer the question on the basis of what I believe to be the facts. The private utilities could furnish the power if they had the vision and the purpose. I have never discovered any considerable evidence of either.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. LUCAS. It has always been the position of the Senator from Illinois that so long as the public utilities of this Nation could furnish the power which was necessary not only for municipalities, but farmers as well, neither the REA nor any other Government agency had any right to interfere. But the moment they cannot do that—and it has been demonstrated times without number that they have not been able to do it—then it is time for the REA people to step in, through the Government, and build these lines for the benefit of farmers and others.

In the beginning of the Senator's able address he pointed out two areas, as I recall, one in Arkansas and one in Missouri, where transmission lines presumably will be built some time. They are not now in being. Am I correct?

Mr. KERR. There is one area in Missouri which has no facility serving the area, and one in Oklahoma which has no adequate facility to serve the area.

Mr. LUCAS. My next question is this: Take the Missouri situation, as explained by the Senator. Is there any evidence in the RECORD to show that the public utilities expect to extend their lines into Missouri for the purpose of taking care of that great rural section which needs electricity at the present time?

Mr. KERR. They have told us that their purpose is to build these transmission lines. They have written letters to that effect. One was presented today by the distinguished Senator from Missouri [Mr. DONNELL] and another was referred to by the distinguished Senator from Oklahoma [Mr. THOMAS], in which they said that their purpose was to build transmission lines. They do not say when, or why they have not heretofore been built. Later in my address I shall make some suggestions with reference to what I think is the most desirable way in which to insure the delivery of power to those areas.

Mr. MURRAY. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. MURRAY. In addition to the matter of being able to render the service, the rates which are charged are an important item.

Mr. KERR. The present rates to the farmers in this area are about 10 or 12 mills per kilowatt. The rate which will be charged if SPA takes its line in will be less than 6 mills.

Mr. MURRAY. That is a very important item.

Mr. KERR. It is a very important item to the consumers.

In this area, REA's have invested approximately \$200,000,000. They have borrowed this in the building of their distribution systems. Throughout the area they have a most remarkable repayment record with the Government. In fact, they not only have paid their interest and their maturing installments, but today are well ahead of their repayment schedule.

There may be differences of opinion among Senators as to how the needs for electricity for those farm families should be met, but there is no difference among Senators on the point that the need can and will be met.

Regardless of our differences of opinion as to how that need shall be met, it is a clearly demonstrated fact that there is no difference of opinion on this score within the ranks of those farm families.

Mr. President, it is the avowed purpose of every Senator to serve the people whom he represents. When hearings on these matters were in progress those people came here from the great Southwest by the hundreds. They sent men here who represented hundreds of thousands of them. Without exception they support the position which I now advocate. They, likewise, are against the amendments proposed by the committee.

But, Mr. President, the pages of the committee hearings are literally filled with the testimony of paid representatives and employees of private utilities who oppose this view. But they alone, and none others, came here to oppose the building of these transmission lines by the Government.

Mr. President, as I see the issue, it is crystal-clear and boldly portrayed: Shall we pass this legislation on the basis requested and urged by the people, or shall we submit to control by the private utilities of the public-power policy of this Government?

Shall we comply with the wishes of the people, or shall we conform to the desires of the electric utilities?

Shall we accede to the petitions of the many, or yield to the demands of the few?

Shall we dedicate great projects built with public funds, which are largely self-liquidating, to the service of American citizens? Or shall we, in opposition to the people's desires, place these projects at the disposal of private interests for their financial profit?

If we vote against the amendments, we do not take from any utility any property it now has, nor do we prevent or hinder such utility from acquiring or using any property or right it may seek

to acquire. Those utilities have had the opportunity and the right throughout their entire existence to build the proposed lines, or any others they cared to build. They have that privilege today. The field for their expansion is unlimited and nothing the Government has done or contemplates doing will deny or usurp that opportunity.

They have long claimed that they can produce power cheaper than the Government can. Why have they not done it? Why do they not do it now? Like a dog in a manger, they say "We will not develop the power ourselves to supply this vast unfilled demand, nor do we want the Government to produce that power unless we, and we alone, are accorded the exclusive privilege to distribute it."

The record the Senator from Arizona read, giving the evidence by their representatives, was to the effect, "No; we have not built the lines, we never did intend to build the lines; but if the service is going to be provided somehow by the Government, then, rather than tolerate that, we will build the lines."

Mr. President, it is not my purpose to hamper, impede, restrict, or impair in any way the private electric utilities of my State. I would support any appropriate effort whereby their operations might be expanded and enlarged. I would support any appropriate encouragement for the development of greater reserves and supplies of electric power by them. I would be happy to see that power made available to the domestic and industrial needs of Oklahoma. I do not want to take over the utilities or any part of them—and I want to be equally sure that they do not take over the power policy of this Government or any part of it. Mr. President, they have never implemented the vision of the great need for electric power in Oklahoma, either by the 165,000 farm families of our State, or by an agricultural and industrial economy which has for half a century been retarded in its progress by an inadequate supply of electric power.

Mr. President, if every possible kilowatt of hydroelectric power generated by available projects now built or authorized, or that could be built in Oklahoma, were already being produced, if the full potential flow of vital energy from such projects were even now finding its way into the actual and potential avenues of consumption within our State, all of it would not supply one-fourth of the electric energy required to support and operate our expanding agricultural and industrial economy in Oklahoma.

There is a greater potential demand for electric power within our State than will be supplied by all the development now planned or to be planned, both by the Federal Government and the private electric utilities, in the years ahead.

Mr. President, in that connection I submit for the Record a power market survey of the Southwest, compiled by the Federal Power Commission. It shows that when all the projects now in being are in full use and when all the projects planned by the private utilities and the Federal Government are in full use, even so in 1960 there will be a shortage of 25 percent in the amount of power necessary for that great area.

There being no objection, the survey was ordered to be printed in the RECORD, as follows:

Power market survey of the Southwest compiled by the Federal Power Commission (1948 actual, 1955-60 estimated)

AREA I.—MOST OF ARKANSAS, LOUISIANA, OKLAHOMA, KANSAS, WESTERN HALF OF MISSISSIPPI, NORTHERN TEXAS (EXCEPT THE PANHANDLE), AND WESTERN AND SOUTHWESTERN PARTS OF MISSOURI

	1948	1955	1960
Power requirements:			
Capacity (thousands of kilowatt-hours):			
Peak demand.....	2,970	4,700	5,900
Required reserves (15 percent).....	450	700	900
Total.....	3,420	5,400	6,800
Power supply ¹	3,100	5,600	5,600
Power shortage (area I).....	320	+200	1,200
Percent.....	-10	+3.8	-17.6

¹ Includes 505,200 kilowatt-hours of power in Federal projects.

AREA II.—AREA INCLUDES A PART OF THE SOUTHWEST REGION DESIGNATED IN AREA I AND ALSO OKLAHOMA, EXCEPT PANHANDLE, AND SMALL PARTS OF ARKANSAS, LOUISIANA, AND TEXAS

	1948	1955	1960
Power requirements:			
Capacity (thousands of kilowatt-hours):			
Peak demand.....	622	920	1,180
Required reserves (15 percent).....	90	140	175
Total.....	712	1,060	1,355
Power supply ¹	650	1,014	1,014
Power shortage (area II).....	62	46	341
Percent.....	8.7	4	25

¹ Includes 170,200 kilowatt-hours of power in Federal projects.

Mr. KERR. Mr. President, I do not speak against any citizen or any commercial or industrial enterprise in my State. I speak, rather, for the 165,000 farm families of Oklahoma. I speak for the rank and file of the more than two and a quarter million people in my State. They realize that their future welfare is in part dependent upon the full development of our hydroelectric possibilities.

Mr. President, we must either appropriate this money and put the Southwestern Power Administration in a position to build its own transmission lines and transport the public power, or we must deny the money, and thereby leave those farm families and others in a preferred status without power or in the position of having to get it the best way they can through private utilities.

Some Senators say, "Let us give the utilities a chance and see if they will do the fair thing." I say: "Let us give the Southwestern Power Administration and the rural electric cooperatives a chance to continue to do the fair thing."

The Texas Power & Light contract was negotiated only after Congress had appropriated money to build transmission lines into its service area. The man who negotiated that contract is still the administrator of the Southwestern Power Administration. Armed with that appropriation, he was able to work out an equitable contract. The same administrator has been trying ever since to make similar contracts with other utilities. They have steadfastly refused to nego-

tiate. They have spurned him and what they have labeled as a "criminal and iniquitous" contract. In spite of this, he has told the committees of both the House and the Senate that it is his purpose to negotiate further equitable contracts wherever possible. It is apparent, however, that until money is appropriated with which to build these transmission lines, he will not be in an equally independent bargaining position to obtain equitable contracts with these other utilities.

As he goes out to negotiate, shall we make him as strong as we can? Or shall we weaken him as much as we can? Would Senators take from him the advantage of freedom of choice, and impose upon him the penalty of accepting the contract as the utilities want it or be unable to transmit power at all?

Southwestern Power Administration and its Administrator are creatures of this Congress. The record of southwestern utilities does not warrant having the Congress put a legislative straitjacket on its Administrator as it sends him out to negotiate with them.

The utilities' record is certainly not one to inspire confidence in their purpose to serve our farm families on a basis that is either acceptable or equitable.

I ask the Senators, Have not these utilities had this chance all through the years? Have the lines been provided when and where needed? Are they now planned or authorized? The rural electric cooperatives for many years have begged these private utilities for this service and for this opportunity, but without avail.

I believe we are fully justified in accepting the position supported and urged by both the rural electric cooperatives and the Southwestern Power Administration. I believe we have a duty to render this service, which, on the basis of the record, is supported and urged by such an overwhelming percentage of the people of the Southwest.

Mr. President, the farm families in Oklahoma are eternally grateful to their Congress for the degree to which rural electrification has been thus far developed. They are impatient, however, for the completion of that program. They have made their will known to their Congress. They were encouraged—yes, they were elated—by the action of the House with reference to Southwestern Power Administration. They saw the dawning of the day when their fondest dreams would be realized.

But they have been shocked by the action of the Senate Appropriations Committee. They cannot believe—they do not believe—that this branch of their Congress will deny them the opportunity for the speedy completion of their program. They cannot believe that their opportunity, promised by the House of Representatives, will be snatched from their grasp by the Senate.

No, Mr. President; they have hope that the Senate by its action will cause that opportunity to ripen into a reality, and I have a profound conviction that their hope is well founded.

I urge the defeat of these amendments.

Mr. LUCAS. Mr. President, will the Senator yield at this point?

Mr. KERR. I yield to the Senator from Illinois.

Mr. LUCAS. In addition to what has been said on this subject by the people of Oklahoma, the people of other sections of the Southwest, and the people of all other sections of the country where the power question is an issue, the Senator well knows that the President of the United States in making his campaign last year in his State and in other States took a very formidable position in respect to what the Government should do regarding power. It was one of the big issues in the campaign, in the Senator's section of the country and in other sections of the country. Does the Senator from Oklahoma agree with me?

Mr. KERR. It was; it was a terrific issue throughout this area. Rural electric cooperatives' representatives boarded the President's train and showed him the detailed budget of the Southwestern Power Administration. He caused the matter to be investigated by the Bureau of the Budget, and then authorized me to say to them that it would be his purpose to include that program in his recommendations to the Congress.

Mr. WATKINS. Mr. President, will the Senator yield for a question?

Mr. KERR. I yield.

Mr. WATKINS. I am not acquainted with the situation in the Southwest. In the States the Senator from Oklahoma has been discussing, are there regulatory bodies, State utility commissions, to regulate the rates?

Mr. KERR. Yes, and they do.

Mr. WATKINS. Do they have any difficulty in getting fair regulations?

Mr. KERR. I think they have a very fair and efficient operation.

Mr. WATKINS. Does the Senator care to comment on the possibility, if the private utilities are permitted to put in these lines, that they would enter into fair competition with the Rural Electrification Administration?

Mr. KERR. The senior Senator from Oklahoma advised the Senate a little earlier today that they were willing to offer and have submitted to the regulatory body in Oklahoma, a 5-mile rate. I know his information in that regard is correct. But I would remind the Senate that that rate is binding no longer than the utility accepts it and the regulatory body imposes it. By the law, that regulatory body is required to permit the utility to charge enough for its service to amortize its investment over a limited period and to have it pay a reasonable return to them, in addition.

Mr. WATKINS. Has anything been done to fix that so-called limited period of time?

Mr. KERR. Offers have been made, but I call attention to the fact that they are not binding. Just a little while before the November election, if I correctly understand the RECORD—and if I make a mistake about it, I ask the senior Senator from Arizona [Mr. HAYDEN] to correct me—the same Mr. Moses who made the statement, in November, that it looked as if there was no other way for them, so they were willing to build these lines, went before the regulatory body in Arkansas and asked for an increase in the

rate they were charging to the rural electric cooperatives in that State. My information is—this is not first-hand information, but it comes from what I consider to be a fairly reliable source—that after the November election, the petition was withdrawn.

Mr. WATKINS. What has been the rate fixed as a fair return on the capital investment of the private utilities? What rate has been fixed in the past by the utility commissions in these States?

Mr. KERR. Does the Senator mean what rate they have been permitted to charge for electricity?

Mr. WATKINS. No; I mean the rate of return on their investment.

Mr. KERR. I believe it is a rate which will provide for the amortization of the unrecovered balance of investment of principal, plus 6½ percent or 7 percent annually on the unrecovered portion.

Mr. WATKINS. That is for the State of Oklahoma, is it not?

Mr. KERR. It is approximately that.

Mr. WATKINS. And for Missouri, the other State involved?

Mr. KERR. My answer to that will have to be one of opinion. I think that is about what it is.

Mr. WATKINS. Texas, I understand, is also involved in the matter. Is that true?

Mr. KERR. Generally so.

Mr. WATKINS. Can the Senator tell me what the rate is there?

Mr. KERR. It is in the neighborhood of 7 percent.

Mr. WATKINS. I thank the Senator.

ALLEGED COMMUNIST ACTIVITIES OF CHARLES CHAPLIN

Mr. CAIN. Mr. President, on previous occasions the junior Senator from Washington has called the attention of the Senate to the many services which Charles Chaplin, an alien, has performed for the Communist movement in this country.

I have questioned the reasons why a man who has enjoyed the wealth and hospitality of our country for many years has not bothered to seek citizenship. I have raised the issue of why no action has been taken to deport him to his native country in view of his long record of affiliation with Communist organizations and the commission of acts which are perilously close to treason.

I should like, therefore, to take this opportunity to call the attention of the Senate to the latest offense of Chaplin.

From September 5 to 10 of this year the so-called American Continental Congress for Peace will meet in Mexico City. It is another one of the synthetic peace movements prefabricated in Moscow for the purpose of undermining the United States. The Department of State has officially branded the peace movement as being "Moscow-directed" to provide "an apology for the Moscow point of view." This Congress for Peace, Mr. President, is the inter-American version of the Cultural and Scientific Conference for World Peace held last March, which was similarly identified as a Moscow-directed front. Among the sponsors listed for the coming Mexican Communist-directed Congress appears the name of Charles Chaplin. Chaplin has been associated

with prior Communist peace conferences; he was a sponsor of the New York meeting in March. He was also designated as a delegate to the Communist peace conference in Paris by Frederic Joliot-Curie, the noted French Communist.

I wonder, Mr. President, how far an alien may go in his activities against the interests of the United States before deportation action is taken against him.

NOMINATIONS OF HON. TOM C. CLARK AND HON. J. HOWARD McGRATH—NOTICE OF CONSIDERATION

Mr. LUCAS. Mr. President, I am not going to call the Executive Calendar tonight, but I should like to advise the Senate that the Honorable Tom C. Clark, now Attorney General, has been appointed as one of the Associate Justices of the Supreme Court of the United States, and his nomination is on the Calendar. Also, as Senators know, one of our colleagues, the junior Senator from Rhode Island [Mr. McGRATH], has been nominated to be Attorney General of the United States. In the next day or two these nominations will be considered in executive session.

Mr. WHERRY. Did the distinguished majority leader say when the nominations would be considered?

Mr. LUCAS. No; but it will be within the next day or two. That is the best information I can give the Senator now. We may be able to consider them tomorrow, if we can get a unanimous consent agreement.

LEGISLATIVE PROGRAM

Mr. WHERRY. I was going to ask the distinguished majority leader whether he felt that a unanimous consent request would be in order, provided we concluded debate on plan No. 1, and then carried out the suggestion of the Senator from New York, proceeded to consider No. 2, and voted on both reorganization plans.

Mr. LUCAS. I do not think I could agree to that, I may say to my friend from Nebraska. I think I have given sufficient reasons heretofore in colloquy with various Senators.

Mr. WHERRY. Is it the intention of the distinguished majority leader, unless unanimous consent is obtained between now and the time for a vote, to have the Senate proceed with Reorganization Plan No. 1 with the understanding that at the conclusion of the debate on the floor which has to be within 10 hours, the Senate shall then vote on the plan?

Mr. LUCAS. The Senator is correct.

RECESS

Mr. WHERRY. To what hour does the majority leader propose to recess?

Mr. LUCAS. Mr. President, I am going to move a recess until 11 o'clock tomorrow; then, if we have to take an hour out for dinner tomorrow night, in order to relieve the official reporters, it will be possible to do that. The session will be a long one for them.

Mr. President, I now move that the Senate take a recess until 11 o'clock tomorrow morning.

The motion was agreed to; and (at 6 o'clock and 49 minutes p. m.) the Senate took a recess until tomorrow, Tuesday, August 16, 1949, at 11 o'clock a. m.

CONFIRMATIONS

Executive nominations confirmed by the Senate August 15 (legislative day of June 2) 1949:

DEPARTMENT OF DEFENSE

Gen. Omar Nelson Bradley, United States Army, for appointment as Chairman of the Joint Chiefs of Staff in the Department of Defense.

DEPARTMENT OF THE ARMY

Tracy S. Voorhees, of New York, to be Under Secretary of the Army.

Archibald S. Alexander, of New Jersey, to be Assistant Secretary of the Army.

IN THE ARMY

Gen. Joseph Lawton Collins, United States Army, for appointment as Chief of Staff, United States Army.

TEMPORARY APPOINTMENTS IN THE ARMY OF THE UNITED STATES

The following-named officers for temporary appointment in the Army of the United States to the grades indicated under the provisions of section 515 of the Officer Personnel Act of 1947:

To be brigadier generals

Carter Weldon Clarke, O11682.
Halley Grey Maddox, O12807.
James Clyde Fry, O15023.
William Shepard Eiddle, O15180.
Gerson Kirkland Heiss, O15092.

APPOINTMENTS IN THE REGULAR ARMY OF THE UNITED STATES

The following-named persons for appointment in the Regular Army of the United States in the grades and corps specified, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.), title II of the act of August 5, 1947 (Public Law 365, 80th Cong.), Public Law 36, Eightieth Congress, and Public Law 625, Eightieth Congress:

To be majors

James M. Brown, MC, O356209.
Jules O. Meyer, MC, O357129.
Anthony W. Miles, MC, O379513.
Sidney Miller, MC.

To be captains

Warren C. Breidenbach, Jr., MC.
Robert C. Butz, MC, O1755622.
Ralph E. Campbell, MC, O1775576.
Hull F. Dickenson, DC, O400639.
Benjamin J. DiJoseph, DC, O1725596.
Albert J. Dimatteo, DC, O1715068.
Howard J. Henry, MC, O1744823.
Harry W. McCurdy, MC, O1725453.
Melton P. Meek, MC, O1735512.
George E. Oldag, MC, O447690.
Charles R. W. Reed, MC, O1785962.
Robert A. Reynolds, MC.

To be first lieutenants

William A. B. Addison, JAGC, O399154.
Sol Ballis, MC, O960847.
John W. Barch, MC, O954266.
Tucker A. Barth, MC, O1766611.
Thomas G. Baskin, MC.
Victor D. Baughman, JAGC, O455846.
Alexander H. Beaton, MC.
Marcus R. Beck, MC, O960848.
Robert W. Bell, MC, O962712.
Wilfred B. Bell, DC, O959943.
Robert Bernstein, MC, O1717735.
Anthony L. Britts, MC, O961448.
Thomas J. Brown, DC, O959929.
Edward L. Buescher, MC, O961688.
Clement E. Carney, JAGC, O1555955.
Harold G. Carstensen, MC, O963950.
Gerald A. Champlin, MC, O958518.
Vernon L. Cofer, Jr., MC, O962725.
Clarence F. Crossley, Jr., MC, O958515.
Roswell G. Daniels, MC, O963576.
Eugene J. Diefenbach, Jr., MC, O960856.
Philip R. Dodge, MC.
John H. Draheim, MC, O960857.
Philip E. Duffy, MC, O965576.

George L. Emmel, MC.

Leroy L. Engles, MC, O965456.

Albert J. Flacco, MC, O964976.

Thomas J. Foley, MC.

Bruce T. Forsyth, MC.

Frank E. Foss, MC, O958513.

Roger J. Foster, MC.

Ralph V. Gieselman, MC.

Thomas T. Glascock, MC.

Richard Gottlieb, MC, O960861.

John M. Harter, MC.

Charles C. Heath, DC, O964057.

Wood S. Herren, MC.

John A. Hightower, MC.

John H. Hoon, MC, O1996934.

Winston C. Jesseman, MC, O963952.

Richard P. Jobe, MC.

Donald J. Joseph, MC, O1756086.

John M. Kroyer, MC.

Paul E. Lacy, MC, O961442.

Robert M. Lathrop, JAGC, O962513.

Robert R. Leonard, MC, O956165.

Charles W. Levy, JAGC, O569095.

Arthur F. Lincoln, MC, O960866.

Fred Madenberg, MC, O960469.

Nicholas M. Margetis, JAGC, O972255.

Robert H. Marlette, DC, O959930.

Bruce R. Marshall, MC.

Benjamin A. McReynolds, MC.

Herbert Meeting, Jr., JAGC, O370356.

William B. Merryman, MC, O961266.

Richard L. Miner, MC, O958452.

Thomas Morrison, MC, O964458.

George R. Nicholson, MC.

Henry J. Oik, Jr., JAGC, O1845325.

Edwin L. Overholt, MC, O948541.

John A. Palese, MC, O961942.

Paul W. Palmer, MC, O959630.

Charles C. Parker, MC, O954960.

John L. Pitts, MC, O954961.

Robert F. Ransom, MC.

Maurice S. Rawlings, MC.

Robert F. Reid, MC, O964460.

Robert G. Richards, MC, O963265.

Hyman P. Roosth, MC, O963577.

Arthur W. Samuelson, MC, O964980.

William J. Sayer, MC, O958940.

William H. Schlattner, Jr., MC, O958505.

Willis E. Scott, DC, O959834.

Leonard H. Seitzman, MC, O1718449.

Robert L. Sherman, MC, O963955.

Fred H. Slager, MC, O954278.

Edwin S. Stenberg, Jr., MC, O1767534.

William L. Stone III, MC.

John J. Toohey, MC, O961939.

James O. Wall, MC, O960474.

Richard A. Ward, MC, O965832.

Lawrence L. Washburn, Jr., MC.

Richard E. Weeks, MC, 964461.

James A. Whiting, MC.

Dudley E. Wilkinson, MC, O961045.

Louis E. Young, MC.

William B. Young, MC, O960874.

Anton C. Zeman, Jr., DC, O959942.

To be second lieutenants

Jack A. Fullmer, MSC.
Mable L. Jack, ANC, N97947.
Marcie Lansford, ANC, N792111.
Bernice M. Strube, WAC.
Betty C. Washbourne, ANC, N792127.
Betty J. Workman, ANC, N797284.

The following-named persons for appointment in the Regular Army of the United States in the grade of second lieutenant, under the provisions of section 506 of the Officer Personnel Act of 1947 (Public Law 381, 80th Cong.):

Jack F. Andrews.
John B. Berry, Jr.
Alan W. Blankenship.
Newton C. Brackett.
Henry B. Edwards, Jr., O955559.
Conrad L. Hall.
Martin D. Hecht, O957771.
Robert L. Jeansonne, O948382.
Carroll N. LeTellier, O969234.
Jim F. Rast.
William C. Stribling, Jr.
Edward E. Tourtellotte, O957965.

APPOINTMENT, BY TRANSFER, IN THE REGULAR ARMY OF THE UNITED STATES, WITHOUT SPECIFICATION OF BRANCH, ARM OR SERVICE

First Lt. Eugene Miles Perry, Jr., O56272.

PROMOTIONS IN THE REGULAR ARMY OF THE UNITED STATES

The following-named officers for promotion in the Regular Army of the United States, under the provisions of sections 502 and 510 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (X) are subject to examination required by law.

To be colonels

Amos Tappan Akerman, O16060.
Alfred Harold Anderson, O28805.
Lewis William Anderson, O50904.
Conrad Stanton Babcock, O16104.
Donald Janser Bailey, O16174.
Frank Troutman Balke, O38592.
Ernest Andrew Barlow, O16116.
James Durward Barnett, O16234.
Raymond Miller Barton, O16185.
Julian Henry Baumann, O16326.
Wilmer George Bennett, O16141.
William Henry Bigelow, O16110.
John Franklin Bird, O16179.
Claude Aubrey Black, O16235.
Lucien Eugene Bolduc, O16137.
Alvin Truett Bowers, O16107.
Claude Franklin Burbach, O16184.
William Lloyd Burbank, O16186.
Luther Gordon Causey, O16336.
Charles Cavelli, Jr., O16165.
Lindsay Patterson Caywood, O50898.
John Loomis Chamberlain, Jr., O16117.
Earl Richardson Chase, O28811.
George Avery Chester, O16345.
Robert Pepper Clay, O16212.
Haskell Hadley Cleaves, O16253.
Joseph Pringle Cleland, O16239.
Hubert Merrill Cole, O16144.
Raymond Cecil Conder, O16131.
Harry Wells Crandall, O13238.
Marcel Gustave Crombez, O16198.
Charles Randolph Currier, O50901.
Joseph Blair Daugherty, O16252.
John William Davis, O16223.
Miles Merrill Dawson, O16079.
James Joseph Deery, O16123.
Pierre Bacot Denson, O16278.
Alfred Boyce Devereaux, O16138.
Samuel Adrian Dickson, O16219.
Wellington Dallas Dillinger, O50902.
Alexander Andrew Dobak, O16203.
Donald Dunford, O16267.
Floyd Ellsworth Dunn, O16261.
Carl Rueben Dutton, O16048.
Ira Kenneth Evans, O16215.
August William Farwick, O16276.
Russell Thomas Finn, O16237.
Benjamin Cobb Fowlkes, Jr., O16087.
Frank Gilbert Fraser, O16090.
John William Gaddis, O16200.
Gerald Edward Galloway, O16043.
John Frederick Gamber, O16115.
Michael John Geraghty, O16263.
Henry George Gerdes, O39513.
George Arthur Grayeb, O16152.
Francis Martin Greene, O28803.
Joseph Claron Grubb, O41393.
Haydon Young Grubbs, O16154.
Harry Herman Haas, O41385.
William O'Connor Heacock, O16093.
Earl William Heathcote, O28800.
Carl Warren Holcomb, O16082.
Ernest Victor Holmes, O16100.
Armand Hopkins, O16083.
Albert Aaron Horner, O16254.
Robert Lee Howze, Jr., O16055.
Raymond Elisha Hoyne, O28804.
John Randolph Jeter, O16342.
Edwin Lynds Johnson, O16158.
Ragnar Edwin Johnson, O28813.
Clifford Allen Kaiser, O28801.
Thomas Joseph Kane, O41386.
Edwin Bascum Kearns, Jr., O16224.
Leo F. Kelly, O50895.
Leland Berrel Kuhre, O16056.

Samuel Mason Lansing, O16277.
 Harry Clifton Larter, Jr., O16206.
 Nelson Leclair, Jr., O28797.
 Ralph Augustus Lincoln, O16097.
 Gilbert Edward Linkswiler, O16098.
 Leon Jacob Livingston, O39512.
 William Eldred Long, O16221.
 George Patrick Lynch, O16226.
 Alan Francis Stuart Mackenzie, O28806.
 Henry Beane Margeson, O16181.
 Arthur Lawrence Marshall, O38593.
 Milo Howard Matteson, O16127.
 George William McClure, O28794.
 George Henry McManus, Jr., O16170.
 John Meade, O16338.
 Harrod George Miller, O16044.
 Ray Carl Milton, O41390.
 James Wilbur Mosteller, Jr., O16168.
 Aubrey Strode Newman, O16099.
 Meredith Cornwell Noble, O16169.
 Randolph Gordon Norman, O39515.
 William Henry Nutter, O16095.
 William Wheeler O'Connor, O16348.
 Godwin Ordway, Jr., O16208.
 Raymond Burkholder Oxreider, O16042.
 George Bateman Peplow, O16246.
 Arthur Superior Peterson, O16268.
 Frank Andrew Pettit, O16092.
 William Everton Pheris, O16202.
 Wilson Potter, Jr., O28798.
 Branner Pace Purdue, O16149.
 Curtis D. Renfro, O16248.
 Lewis Ackley Riggins, O16111.
 Nicholas Joseph Robinson, O16175.
 Walter John Rosengren, O41392.
 Harry Earl Rucker, O41381.
 Ralph Randolph Sears, O16269.
 Theodore Anderson Seely, O16344.
 Paul Maurice Seleen, O16139.
 Ronald Montgomery Shaw, O16103.
 Donald Hubbell Smith, O16334.
 Wayne Carleton Smith, O16207.
 Leslie Wright Stanley, O38594.
 Clyde Eugene Steele, O16159.
 × Henry Ewell Strickland, O16140.
 Ernest Avner Suttles, O16275.
 Samuel Johnson Taggart, O41388.
 Percy Walter Thompson, O16315.
 Carl Frederick Tischbein, O16119.
 Kenneth William Treacy, O16052.
 David Henry Tulley, O16075.
 Warren Nourse Underwood, O16078.
 Charles Howard Valentine, O16325.
 Rinaldo Van Brunt, O16225.
 Clarence McCurdy Virtue, O16322.
 Whitfield Wannamaker Watson, O28802.
 William Andrew Weddell, O16340.
 Gustavus Wilcox West, O16146.
 Henry Randolph Westphalinger, O16130.
 Thomas Byrd Whitted, Jr., O16167.
 George Kenyon Withers, O16049.
 William Holmes Wood, O16135.

AIR FORCE OF THE UNITED STATES

TEMPORARY APPOINTMENT IN THE AIR FORCE OF THE UNITED STATES

The following-named officers for temporary appointment in the Air Force of the United States under the provisions of section 515, Officer Personnel Act of 1947:

To be major generals

George Robert Kennebeck, 47A.
 Harry George Armstrong, 209A.
 Charles Irving Carpenter, 668A.

To be brigadier generals

Michael Gerard Healy, 188A.
 Otis Blaine Schreuder, 198A.
 Robert Frederick Tate, 363A.
 Roger James Browne, 449A.
 Richard Joseph O'Keefe, 566A.
 Dan Clark Ogle, 602A.
 Albert Henry Schwichtenberg, 665A.
 William Henry Powell, Jr., 684A.

UNITED STATES AIR FORCE

APPOINTMENTS IN THE UNITED STATES AIR FORCE

The following-named persons for appointment in the United States Air Force in the grades indicated, with dates of rank to be determined by the Secretary of the Air Force,

under the provisions of section 308, Public Law 625, Eightieth Congress (Women's Armed Services Integration Act of 1948):

To be majors

Dorothy Bernstein	Elizabeth Johnston
Bertha Breskin	Beatrice Landry
Frances S. Cornick	Elizabeth L. Muenchinger
Rosalie R. Feldman	Virginia Mynard
Dixie E. Harmon	Dorothy E. Sallpante
Agnes M. Hoffman	Ilae M. Tucker
Margaret D. Horn	

To be captains

Mildred R. Bachman	Maimie P. Oliver
Kathleen M. Berry	Mary C. Ryan
Gladys F. Erwin	Frances E. Scafile
June Everett	Dora E. Skelton
Dorothy M. Foxworth	Doris M. Smith
Marilynn Fritz	Myrl D. Stiles
Messye E. Goins	Beatrice Tarnoff
Margaret Graham	Charlotte E. Temple
Maudie E. Johnson	Edith M. Toffaletti
Genevieve J. Larges	Kathryne M. Walls
Gladys M. Nelson	

To be first lieutenants

Margaret M. Banfill	Doris E. Jordan
Kathleen J. Curtin	Bertha R. Kaeppl
Betty T. Etten	Norma M. Loeser
Elnora L. Garlow	Ruth A. Lucas
Fannie A. Griffin	Mary C. Lynn
Barbara M. Hadley	Ione C. Severson
Jeanne M. Holm	Peggy J. Wier
Helen M. Horvath	Betty L. Woods
Lois C. Jones	Helen C. Wyatt

The following-named persons for appointment in the United States Air Force in the grade indicated, with dates of rank to be determined by the Secretary of the Air Force, under the provisions of section 506, Public Law 381, Eightieth Congress (Officer Personnel Act of 1947):

To be second lieutenants

Carey T. Harrison	Norman C. Kramer
Thomas A. Horst, Jr.	Harold S. Viall

PROMOTIONS IN THE UNITED STATES AIR FORCE

The following-named officers for promotion in the United States Air Force, under the provisions of sections 502 and 509 of the Officer Personnel Act of 1947. Those officers whose names are preceded by the symbol (×) are subject to examination required by law.

To be captains

Alexander, James Franklin, 12043A.	Davidson, Robert Spencer, 12131A.
Anderson, Edmund Beard, 12114A.	Dean, Kenneth Cameron, 12014A.
Archer, John Henry, Jr., 12013A.	Dennis, John Charles, 12141A.
Artwohl, Arpod Julius, 12153A.	Dill, Alvin Warnick, 11974A.
× Askwig, Glenn Wesley, 12085A.	× Donohoe, Charles Adolph, 12126A.
× Barney, Robert Orr, 12057A.	Doran, Brendan Joseph, 12083A.
Barnum, Charles Colburn, Jr., 12042A.	Dornbrock, Richard Carol, 11960A.
Beatty, Ibrlie Morris, Jr., 12017A.	Duffy, Robert Aloysius, 11984A.
Black, David Paul, 12052A.	× Duncan, Kenneth Radcliff, 12098A.
Booth, Raymond Walter Wallis, 12104A.	Duval, Joseph Edward, 11989A.
Borchers, Clyde Raymond, 12124A.	Edwards, Arthur Ralph, 12091A.
Brenner, Felix George, 12000A.	Eldredge, Clayton Revis, 11985A.
× Brion, Charles Walter, 12094A.	Elias, Samuel Michael, 12096A.
Bull, Stephen Dwight, Jr., 12066A.	Elsberry, Joseph DuBois, 12027A.
Bunnell, Jerry A., 11990A.	Erdmann, Orville Leslie, 12028A.
Burnett, John James, Jr., 12071A.	Evanco, Michael, 12065A.
Butler, John Earl, 12182A.	Everett, Franklin Allan, 12180A.
Cabas, Victor Nicholas, 12162A.	Eyler, Carl Grant, 12122A.
Cadwell, Truman Fletcher, 12174A.	Fachetti, Attilio Thomas, 12100A.
Callander, Thomas Joseph, 12063A.	Farmer, Herman Mouzon, 12055A.
Cameron, Wallace Horace, 12044A.	Farr, Robert, 12109A.
Carter, Daniel Ralph, 11983A.	Farrell, Everett Nicholas, 12003A.
Carter, David Lawrence, 12035A.	× Fayman, Edward Aaron, 12064A.
Cathcart, Leonard Nelson, 12118A.	× Fernandes, Joe Louis, 12111A.
Chandler, Jack Tabor, 12024A.	Fisher, Robert Lee, 12138A.
Chapman, Albert Vernon, Jr., 12089A.	× Fitzhenry, Oscar Charles, 12031A.
Clark, Andrew Robertson, 12062A.	Fitzpatrick, James Thomas, Jr., 12018A.
Combe, John 3d, 12170A.	× Flicek, Jerry Francis, 12113A.
Cook, Carl Laverne, Jr., 12019A.	Floyd, John Fletcher, 12074A.
Cooper, William Enos, 12082A.	× Ford, Geoffrey, Ralph, 12183A.
Crowe, Loyal William, 12021A.	For, Oscar Creighton, 12086A.
Cruciana, Louis Gerald, 12175A.	× Foye, Herbert Francis, 12120A.
Cummins, Daniel George, 12136A.	Frederick Russel Roch, 12148A.
Cunningham, George Chancellor, 12135A.	Frederickson, Marshall Vernon, 12069A.
Davidoff, Foster, 12180A.	Gardner, Herbert George, 12053A.
	× Gates, Edmond Noble, 12080A.
	Gates, William Moore, 12115A.
	Goddard, Ernest Dale, 12103A.
	Gonske, Walter Frederick, 11973A.
	Griffin, John Albert, 12049A.
	Gunter, Lester Edwin, 12040A.
	Haney, Charles William, 12002A.
	× Hannah, Harrison Hayden, Jr., 12171A.
	Hanson, Edwin Clifford, 12099A.
	Hardy, Claude Mayfield, 12127A.
	Hardy, Preston Bethea, 11969A.
	Harmon, Clifford Winnie, 12056A.
	Harris, Carl Truett, 12012A.
	Hathaway, Bruce Ray, 11959A.
	Heath, Hemphill Vern, 12163A.
	Hemmer, Albert Burkett, 11988A.
	Henderson, Horace Lynn, 12165A.
	Herring, Jack, 12060A.
	Hester, Benjamin Franklin, 12011A.
	Hewitt, George Emory, 12081A.
	Hicks, Charles Kimball, 12130A.
	Highley, Lyndell Thomassen, 11977A.
	Hiney, John Wakefield, 12105A.
	Hogan, Walton Lewis, 12143A.
	× Hood, Robert Francis, 12015A.
	Hopkins, Charles, Jr., 11962A.
	Howard, Herbert Bryan, Jr., 12009A.
	Howell, Joseph Virgil, 12088A.
	Hughes, Lewis Carroll, 12025A.
	James, John Gilbert, 12008A.
	× Johnson, Thomas Bennett, 12119A.
	Johnston, Wallace Wilson, 12106A.
	Jones, Robert Lewis, 11961A.
	Kelper, John Alwine, Jr., 12051A.
	King, Kave B., Jr., 12006A.
	Kinney, William Harris, 11999A.
	Knutson, Gerald Percival, 12154A.
	Kozul, Thomas Francis, 12001A.
	× Kubicek, Garold Bretislav, 12108A.
	Lake, James, 12145A.
	Lambert, Joseph Richard, 12039A.
	Lancaster, Rayburn Dinon, 12022A.
	Lasko, Charles William, 12169A.
	Laughlin, Harlan Lee, 11993A.
	Livesay, Willie Edgar, 11958A.
	McElroy, James Thomas, 11994A.
	McKay, George Pope, 12029A.
	McLain, Mack Arthur, 12030A.
	× Marshall, Benjamin Charles, 12129A.
	Masden, Gilbert Atherton, 11991A.
	Mason, Wallace Ancil, 12045A.
	Massey, Holman Cooper, 11998A.
	× Mensing, Paul Emil, 12117A.
	Miles, James Henry, Jr., 12050A.
	× Mills, Jack Walter, 12137A.
	Mills, Joe Rose, 12101A.

Moody, Edgar Waldron, 11971A.
 Morgan, Emory Claude, 12112A.
 Moyers, Brian Kent, 12173A.
 Munnerlyn, Billy Joe, 12090A.
 Myers, Thomas Lee, 11995A.
 Nawrocki, Joseph Carl, 12041A.
 Nesbitt, James William, 12032A.
 Nicks, Howard Louis, 12134A.
 Nielsen, Austin, 11964A.
 Nolan, Alson Valentine, Jr., 12095A.
 Nordenstrom, Wallace Orville, 12059A.
 O'Connor, Henry Michael, 11972A.
 Oehme, Vance, 12076A.
 Orr, Jack Pershing, 11978A.
 × Ott, George Joseph, 12133A.
 Owen, Arthur Wellesley, Jr., 12166A.
 Packwood, Jack R., 12123A.
 Partridge, Robert John, 12107A.
 Patton, Gene Murray, 12034A.
 × Pearson, Karl Reese, 12097A.
 Pebbles, Glen Amos, 12159A.
 Penn, William Wallace, Jr., 12023A.
 Peterson, Sumner William, 11992A.
 Phears, William David, 11970A.
 Pippin, Theodore Clifton, Jr., 12157A.
 Plascak, Nick, 11966A.
 Potter, Dwight Homer, 12151A.
 Prien, Kenneth Wegner, 11981A.
 × Prochaska, Joseph Robert, 12172A.
 Puttkamer, Kenneth, 12075A.
 Quayle, Gerald David, Jr., 12078A.
 Raeke, Louis Alfred, Jr., 12033A.
 Reddrick, Noel Burford, 12046A.
 Rehak, Frank, Jr., 11986A.
 × Reiter, Jack, 11982A.
 Rice, Gale Fauss, 12061A.
 Robertson, Everett Earl, Jr., 11987A.
 Rosenfield, Joseph Warren, Jr., 12058A.
 Ruff, George Florin, 12054A.
 × Sanders, Wendell Wilson, 12121A.
 Sellers, Virgil Everette, 12179A.
 Sharpe, George Moore, 11968A.
 Shearer, Richard Eugene, 12161A.
 Shelton, Donald Adolphus, 12070A.
 Shine, Wilbur Gray, 12158A.
 Shipley, Francis Morris, 12016A.
 Shoemate, Foy Lee, 12012A.
 Smith, Eben Judson, 11963A.
 Smotherman, Benjamin Franklin, 12007A.
 Stephens, John, 12149A.
 Stevens, Arthur Leigh, Jr., 12005A.
 Storeck, Gordon Fowler, 12125A.
 Stulting, Elton Ray, 12144A.
 × Sullivan, Leo William, 12184A.
 Sweeney, Edward Joseph, 12072A.
 Swope, Ira Allen, 12048A.
 Tate, John Chiefton, 12156A.
 Taylor, Irving Crawford, 12068A.
 Thompson, Robert C., 12073A.
 Treumann, Manville Giles, 12181A.
 Tucker, James Riley, 11979A.
 Turner, Arthur Lorenzo, Jr., 12093A.
 Uhring, Frank George, 12004A.
 Ulrich, Alvin Emil, 12038A.
 Vickrey, Charles Ramsay, 11967A.
 × Vogler, James Brevard, Jr., 12079A.
 Voorhees, Roy Dale, 12167A.
 Walker, James Rayburn, 12037A.
 Wallander, Robert LeRoy, 11996A.
 Ward, Charles Allen, Jr., 12026A.
 Warner, Raymond Paul, 12110A.
 × Warwick, Stuart Byers, 11976A.
 Weaver, Worden, 12010A.
 Wicker, Samuel James, 12116A.
 Wilcox, Robert Warren, 12176A.
 Williams, Jack Edward, 11997A.
 Williams, Robert George, 12020A.
 × Wilson, Emmett Stone, 12128A.
 Wilson, Myrt Purviance, 12178A.
 Wilson, Waring Woodrow, 12140A.
 Witry, Frank, Jr., 11980A.
 Wolf, Gayle Christy, 12164A.
 Wood, John Robert, 11975A.
 × Wright, Gilbert Graham, 12087A.
 Yorston, Alfred, Jr., 12177A.

(NOTE.—These officers will complete 7 years' service for promotion during the month of September. Dates of rank will be determined by the Secretary of the Air Force.)

XCV—722

IN THE NAVY

Admiral Louis E. Denfeld, Chief of Naval Operations for a period of 2 years commencing December 15, 1949.

Capt. Calvin M. Bolster, temporary appointment to the grade of rear admiral in the line of the Navy.

Capt. Ralph J. Arnold, temporary appointment to the grade of rear admiral in the Supply Corp of the Navy.

The following-named officer for permanent appointment in the line of the Navy in the grade hereinafter stated:

ENSIGN

Marder, Martin D.

The following-named officers for permanent appointment in the Supply Corps of the Navy in grades hereinafter stated:

LIEUTENANT (JUNIOR GRADE)

Bandish, Bernard J.

LIEUTENANT

Foley, John A.

The following-named officer for temporary appointment in the Supply Corps of the Navy in the grade hereinafter stated:

LIEUTENANT COMMANDER

Foley, John A.

The nominations of George C. Crawford and other officers for permanent appointment in the Navy, which were confirmed today, were received by the Senate on August 4, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations" beginning with the name of George C. Crawford which appears on page 10770 and ending with the name of Elizabeth J. Stover which appears on the same page.

IN THE MARINE CORPS

The following-named officer for permanent appointment to the grade of major general in the Marine Corps:

William J. Wallace

The following-named officer for temporary appointment to the grade of major general in the Marine Corps:

Ray A. Robinson

The following-named officer for permanent appointment to the grade of brigadier general in the Marine Corps:

John T. Selden

The following-named officer for temporary appointment to the grade of brigadier general in the Marine Corps:

Randolph M. Pat

The following-named officer for permanent appointment to the grade of first lieutenant in the Marine Corps:

Thomas R. Burns

The following-named citizens (civilian college graduates) for permanent appointment to the grade of second lieutenant in the Marine Corps:

Tilton A. Anderson	Hans W. Henzel
John G. Belden	Mallett C. Jackson, Jr.
James J. Boley	George C. James
Thomas G. Borden	Edward H. John, Jr.
Calvin H. Broyer	Richard J. Johnson
James W. Burke	David S. Karukin
James Y. Butts	Charles R. Kenning-
Irvin L. Carver	ton, Jr.
Andrew B. Cook	Walter C. Land
John L. Eareckson	Alan M. Lindell
William H. Edwards	Bernard S. MacCabe,
Clyde L. Eyer	Jr.
Matthew C. Fenton III	Byron L. Magness
John C. Gordy, Jr.	David G. Martinez
George H. Grimes	John F. Meehan
Robert L. Gunter	Willard D. Merrill
Arthur J. Hale	John H. Miller
Allen S. Harris	Edgar F. Musgrove
Robert P. Harris	Harry J. Nolan
Richard G. Heinshon	Billy M. O'Quinn

Richard L. Prave	James W. Stanhouse
E. Richard Rhodes	Kenneth R. Steele
Joseph E. Rosky	James C. Stephens
Robert L. Scruggs	Luther G. Troen
Albert C. Smith, Jr.	Henry W. Tubbs, Jr.
Charles S. Smith	Thomas B. White, Jr.
William A. Snare, Jr.	James S. Wilson
William F. Sparks	John O. Wolcott

The following-named enlisted man (meritorious noncommissioned officer) for permanent appointment to the grade of second lieutenant in the Marine Corps:

John F. McCarthy, Jr.

The nominations of Bernard H. Kirk and 976 other officers for appointment in the Marine Corps, which were confirmed today, were received by the Senate on July 28, 1949, and appear in full in the Senate proceedings of the CONGRESSIONAL RECORD for that day, under the caption "Nominations," beginning with the name of Bernard H. Kirk, which appears on page 10370, and ending with the name of Mary J. Hale, which appears on page 10372.

HOUSE OF REPRESENTATIVES

MONDAY, AUGUST 15, 1949

The House met at 12 o'clock noon.

The Acting Chaplain, the Reverend James P. Wesberry, pastor, Morningside Baptist Church, Atlanta, Ga., offered the following prayer:

O God, whose love is from everlasting unto everlasting, on the threshold of another busy week in our Nation's Capital, we approach Thy throne of grace deeply and painfully conscious of our responsibilities. In an upset and turbulent world, we pause to attune our souls to the will of the Infinite, that we may not spend our energies in vain but dedicate them to the highest good and best interest of our great commonwealth. O Thou Master Musician of the universe, dispel, we earnestly pray, all the discordant notes that would hinder our greatest usefulness, and bring forth out of our lives the grand and beautiful notes of unselfish service, unswerving patriotism, and true statesmanship. We ask this for the sake of Him of whom the ancient prophet rightfully said, "The government shall be upon His shoulder." Amen.

The Journal of the proceedings of Friday, August 12, 1949, was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McDaniel, its enrolling clerk, announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 1267. An act to promote the national defense by authorizing a unitary plan for construction of transsonic and supersonic wind-tunnel facilities and the establishment of an Air Engineering Development Center.

The message also announced that the Senate insists upon its amendment to the bill (H. R. 2944) entitled "An act to amend the Civil Service Retirement Act of May 29, 1930, as amended, to provide survivorship benefits for widows or widowers of persons retiring under such act," disagreed to by the House; agrees to